

JPRS 84660

1 November 1983

Near East/South Asia

No. 2845



FOREIGN BROADCAST INFORMATION

NOTE

JPRS publications contain information primarily from newspapers, periodicals and books, but also from news transmissions and broadcasts. Materials from foreign sources are translated; those from English-language sources are transcribed or reprinted, with the original phraseology and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a tilde mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date, author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

ort

RVICE

NEAR EAST/SOUTH ASIA REPORT

No. 2845

CONTENTS

REGIONAL AFFAIRS

INTERNATIONAL AFFAIRS

Arab Banking Activities, International Standing
(AL-IQTISAD WA AL-A'MAL, No 51, Aug 83)

Various Forms, Tendencies, by Henri 'Az
International Standing

Arab Bankers To Face Tough Competition
(AN-NAHAR ARAB REPORT & MEMO, No 41, 10 Aug 83)

ARAB AFRICA

EGYPT

Budget, Tax Proposals Stir Controversy
(AL-SHARQ AL-AWSAT, 7 Aug 83)

Labor Party Leader's 'Unsuccessful' Campaign
(MAYU, 8 Aug 83)

Question of Difference Between Customs Exemptions
(AL-AHRAM AL-IQTISADI, No 761, 15 Aug 83)

Customs Exploitation, by Mustafa Imam
Customs Head Interviewed, Husayn Amin
Customs Exemptions

Briefs
Inmates Tested

84660

ember 1983

LIBYA

Alleged Conspiracy Against Arab Foreign Minister
(AL-DUSTUR, No 299, 15 Aug 83)

MOROCCO

Commerce and Industry Minister Describes Various
Developments
(Azzedine Guessous Interview; AL-IQTISAD, No 51, Aug 83)

ARAB EAST/ISRAEL

ISRAEL

Banks Fear Liquidity Shortage May Reach IS20 Billion
(David Lipkin, Yitzhak Dish; MA'ARIV, 2 Sep 83)

Government Called Wasteful, Inefficient
(Avraham Dishon; YEDI'OT AHARONOT, 13 Sep 83)

Rafiq Halaby Interviewed on Israeli Druze
(Roberta Elliott; THE JERUSALEM POST, 2 Sep 83)

Rumblings Within National Religious Party Discussed
(YOMAN HASHAVU'A, No 72, 2 Sep 83)

Mechanical Waste Purification Plant Almost Completed
(Aharon Pri'el; MA'ARIV, 26 Aug 83) ...

Reportage on Educational Reform Efforts
(THE JERUSALEM POST, 2 Oct 83)

Parents Accept Junior Highs, by Yitzhak Dishon
Need for Integration Stressed, by Charles Fishman

Health Care Reorganization Planned
(Margery Greenfeld; THE JERUSALEM POST, 13 Sep 83) ...

Journalistic Practices Involving 'Anonymous' Sources
(Moshe Aridor; HA'ARETZ, 13 Sep 83) ...

Briefs

Growing Illegal Alien Population
Norwegian Oil
Traffic Fatalities
El Al Assistance to Lebanese
Purchase Tax Up
Israelis in New York
Kibbutz Irrigation Automation

..... 1

..... 17

..... 19

d
..... 24

ing Probed
..... 26

40

..... 41

L,
..... 45

..... 49

..... 50

..... 53

..... 55

..... 59

..... 63

Levavi

..... 65

red
..... 67

70
70
70
71
71
71
72

LEBANON

Lebanese Ownership in Local Banks To Increase
(AN-HANAR ARAB REPORT & MEMO, No 4)

Rafiq Hariri Viewed as Possible Next Prime Minister
(AN-NAHAR ARAB REPORT & MEMO, 21 Oct 83)

OMAN

Ban on Recruitment of Foreign Manpower for Government
(Muzaffar Mohammad; TIMES OF OMAN, 19 Oct 83)

Briefs

- Ties With South Yemen
- Educational Program With Qatar
- School Enrollment Statistics
- New Bank Account Regulations
- CNP Up
- New Oil Strike

QATAR

Marine Cable Projects in Gulf States Discussed
(Ahmad al-Dawsari; AL-'AHD, No 435)

SYRIA

Syrian Oil Production Statistics Discussed
(Muhammad Haytham Tunbakji; DIYARUBA, 19 Oct 83)

SOUTH ASIA

AFGHANISTAN

New Focus on Afghan Refugee Problem Reported
(SARAWAK TRIBUNE, 9 Sep 83)

BANGLADESH

Bangladesh-India Agreement on Sharing of Information
(Editorial ITTEFAQ, 25 Jul 83) ...

Editorial Criticizes Prevalent Anti-Investment Policy
(Editorial; DAINIK BANGLA, 21 Aug 83)

Comment on Progress Toward Genuine Democracy
(Editorial; DAINIK BANGLA, 23 Aug 83)

83)	73
.....	75
s	78
	80
	80
	81
	81
	81
	82
3)	83
ALAM, Aug 83)	86
.....	97
r Assessed	99
ality	101
.....	102

IRAN

Pro-Khomeyni Forces Reportedly Join Muslim
(JOMHURI-YE ESLAMI, 11 Sep 83)

Spokesman Discusses Dissensions, Conflicts
(KEYHAN, 8 Sep 83)

Terrorism Plan by Iranian Students Reported
(BUILETIN TODAY, 4 Oct 83)

n Beirut	104
.....	
PLO	106
.....	
.....	108

ARAB BANKING ACTIVITIES, INTERNATIONAL STANDARDS

Various Forms, Tendencies

Beirut AL-IQTISAD WA AL-A'MAL in Arabic No 51

[Article by Dr Henri 'Azzam: "The Current Condition of the Arab Banking Sector and Its Scope for Development"]

[Text] Although it is not possible to offer a comprehensive analysis, it could be called, in a comprehensive sense, the development of the Arab banking sector. It is possible to show several common trends, and to identify the factors which have contributed the most to give these trends their shape. In this article, we will analyze the tremendous development of the Arab banking sector in the past 2 decades in its local, regional and international dimensions, we will evaluate the extent to which the Arab banks will occupy their rightful place in the international banking system. We will then try to shed light on the scope and role expected to play.

Any analysis of the development of the Arab banking sector over the years must consider the massive increase in oil revenues in the seventies as the point of transition in this development. The resulting surplus in "petrodollars," gave rise to the development of Arab banks in the local context and in the world's main money markets. A group of banks specialized in financing industrial, real estate and infrastructure projects came to the fore, and banks were established in the Arab world and joint projects in which local and foreign banks participated. In addition, a number of branches or banks appeared in Europe, banks, or in which these banks participated, others established abroad or as foreign banks. The number of branches of banks operating in Saudi Arabia rose from 16 in the period from 1973 to 1981 and in the same period bank branches in Jordan rose from 16 to 68 and in the same period 1973 there were five or six Arab banking institutions in London and they now number 50 in London and 35 in Paris. They have more than 50 percent of the shares in foreign banks. Their current assets are estimated at about \$50 billion.

63-70

he Arab Banking

escription of what
ing sector, it is
hat organizations
firm structure. In
the Arab banking
international dimen-
ks have managed to
al system, and we
hich these banks are

or in the past 20
t the start of the
. This increase, and
the gradual
oreign context, in
anizations that
estment projects
nt or private units
rticipated. In
elonged to Arab
ished locally and
or example, the
se from 70 to 375 in
number of banks and
a from 24 to 208. In
Paris and London
rain, the Arab banks
ng units, whose

One can state that the Arab banks have gone t
they have been transformed from local commerc
tions of an international character contribut
money market.

The First Stage: Local Commercial Banking Act

The majority of Arab banks, up to the mid-six
local sense. Small commercial banks operated
concentrated their activity on responding to

The genesis of Arab banking activity occurred
century, the day the Bank of Egypt was establ
first Arab national bank, then followed 10 ye
Jerusalem. After that, a group of local banks
ty was restricted to responding to the local
societies, in Lebanon (the Bank of Syria and
Commercial Bank), Iraq (the al-Rafidayn Bank)
rain), Egypt (the National Bank), Kuwait (the
commercial banks in other Arab countries. The
received strong support from the newly indepe
yearned to establish domestic financial insti
lop and advance their fledgling economies. Du
plied the role of the dominant and most active

The predominant character of deposits in the
was one of short-term deposits in the form of
savings accounts, reflecting the depositors'
keeping their deposits in a state of high liqu

The nature of bank deposits in most of these
absence of central banks and money and capita
nature of the banking system's assets. The ba
cash liquidity and foreign currency deposits,
the majority of the loans the local banking s
were in the form of short-term offerings or s
for the commercial sector.

The Second Stage: Joint Activities (Consortium

The second stage in the development of the Ar
the end of the sixties and continued until af
this stage, the Arab banks participated in jo
banks. The establishment of the European-Arab
Brussels was the first sign of Arab bank pene
kets, and this was concurrent with the develo
pean currencies. The primary objective in the
"consortium" banks was to use them as valuabl
transferring international banking skills to
for creating broad financial and commercial t
Middle East.

stages, in which
ons into institu-
to the European

stly active in the
eychangers, and
ncing needs.

l decade of this
o in 1920 as the
the Arab Bank in
shed whose activi-
of their own
a (the Syrian
e Bank of Bah-
(), and other
establishing banks
untries which
would help deve-
ge Beirut occu-
r in the area.

ks at that stage
ts or short-term
that stage for

underscored by an
etermine the
l, retained great
oreign assets, and
at that stage
ditor account.

tor began toward
venties. During
ith European
nk in Paris and
ernational mar-
arkets for Euro-
of the joint
channels for
and as a means
rope and the

The European-Arab "consortium" banks were
Three of them were established in Paris, t
(UBAF), the Arab International Investment
The fourth was the Arab-European Bank in B
banks in France were the basic European pa
The Arab participants joined as representa
in the Gulf countries as well as non-oil A
from this trend to have share ownership si
"consortium" banks, since the interests of
ders conflicted. In addition, there was a
shareholders from oil countries and shareh
was not apparent whether these banks' duty
international lending to deficit countries
ty. In addition to that, the foreign share
ties of the "consortium" banks extend to t
influence.

The "consortium" banks did not benefit gre
Arab area and they attracted only a margin
Gulf countries. The impression at that tim
lacking in large bank investing capacity a
penetrate profitable investment channels i
and most of them promoted commercial banki
cit" countries, which had become the main

In the mid-seventies, new "consortium" ban
objective of investing and performing bank
geographic areas. For instance, Libya and
tional Arab Bank in Paris. Algeria, along
established the Federation of Mediterranean
Arab Bank was established, in Lima, the Ar
recently the Turkish Arab Bank was establi
Hellenic Bank in Athens. At approximately
tium banks were established with major Sau
national Bank (SIB), the Saudi Spanish Ban
(GIB), in which the six Gulf countries too

All of these banks realized their profits
and not from lending and borrowing in the
these banks could not attract the surplus
and the assets of the Arab banks that were
market did not come to more than 10 perce
1977. For this reason, one can say that j
did not play an effective role in recyclin
reserves were not afforded the secure inv
administration that the major American and

The Third Stage: International Expansion

The third stage, which was distinguished
sector, occurred during the latter half o
commercial or quasi-government commercial

between 1969 and 1972. Union of Arab French Banks, and the Frab Bank. The three main government in these joint banks. Financial organizations. Complications arose out of the management of and European sharehold- in interest between Arab in other countries. It facilitate operations of lize higher profitabili- refused to let the activi- tional zones of

the oil bonanza in the age of deposits from the these banks were have the ability to and the United States, y with the Arab "defi- their profits.

to appear, with the ty in specific established the Interna- ber of French banks, n Madrid, the Spanish American Bank, and stanbul and the Arab time, three other consor- ipation, the Saudi Inter- e Gulf International Bank

ercial banking activities t. As a result of that, in the Eurodollar market, n the international l Arab foreign assets in ean Arab banking projects OPEC reserves, and these eas and effective banks offered.

rowth of the Arab banking enties, when a number of ided to establish

branches for themselves in Europe and expa- nal activity. The international liberaliza- as a result of the local pressures and int- banks faced. In their desire to emerge from the big Arab banks started to establish br- fices for themselves abroad. The internati- the case of the Saudi National Commercial the Bahrain National Bank, the Qatar Natio- banks indirectly relied on increased natio- the area of international financing and st- recycling "petrodollar" revenues.

As opposed to the "consortium" banks in th- the Arab banking sector, which had suffered its capital base, these banks benefited fr- were provided them by the rich private sec- capital contributions by their governments

During this stage, because of the presence revenues in the latter seventies, a large investments were directed toward the estab- sing the capital of existing banks, in the position in the international banking comm- the state of the emirates established the with an authorized capital of \$1 billion, any other Arab bank engaged in internation- nal Bank at the start of 1981 raised its c- million, then, lately, more than \$500 mill- in 1980, reaching \$2.9 billion, and the ba- New York. The Arab Latin American Bank rai- balance came to \$1.5 billion at the end of African International Bank, headquartered \$70 million to \$90 million. In addition as the Saudi Monetary Authority, SAMA, of res- ry reserves of Saudi banks, these banks we- foreign currency assets and occupy a suita- market for the first time.

Among private Arab banks, one can say that Bank Limited, in Jordan, which started out and became transformed into a banking gian- buted among countries of the Middle East, average annual growth came to 15 percent, billion at the end of 1980. The other priv- role in the international markets in this Dhabai National Bank, the Kuwait National B- cial Bank.

In the context of activity supplementing th- number of Arab banks, a group of Arab inve- which were active in numerous sectors in th- administration of investment portfolios, sy-

of their international stage came about competition the Arab geographical confines, representatives' of- became apparent in Dhahi National Bank, the Arab Bank; these their expansion into an important role in

e of development of tive limitation in apital sources which countries and the

surplus of oil ng-term Arab ew banks and increa- occupy a distinguished O, Kuwait, Libya and Corporation (ABC) than the capital of The Gulf Internatio- 125 million to \$200 k's balance doubled nches in London and al in mid-1981; its me year, the Arab sed its capital from the alleviation by osed on the compulso- to develop their in the international

amic was the Arab of \$30,000 in 1930 t 50 branches distri- rope. The bank's ce totalled \$7.5 ich played an active cally, were the Abu audi National Commer-

nal expansion of a zations were formed nal area, such as the joint loans, real

estate and direct investments. The mo were the three Kuwaiti companies -- the and Investment Company (KFTCIC), the the Kuwait International Investment Co Dhahi Investment Agency, the Arab Inve Company. The Arab banking organization nal market, therefore, came about as first, the narrow scope for growth do play a more direct role in redistribu area. The Arab banks considered that money market centers would help them discover new roles and areas in thei

The Fourth Stage: The Emergence of Is

The fourth stage in the development o appearance of Islamic banks, which ar law and compensate for assured intere Financing in Islamic banks is offered "participation," where the bank sells operating capital, provided that the surviving from the financial standpoi profits (or losses), then the system the whole capital of the project, the commercial and managerial expertise, cases of profits, the bank alone bear financed when the bank buys the raw m to the client on the basis of an agre money from the public on the basis of counts; current accounts are not enti the bank is in charge of paying out t investment accounts permit the client riods which range from 1 to 3 or more risk he is content to bear.

The Islamic banks have experienced a increasing receptivity toward them in the establishment of the Islamic Deve banks of this type have appeared in t also been established in Iran, Pakist these banks, the most prominent are t capital is \$500 million, then the Isl lished in Geneva in 1981 and whose au offers extensive banking services, fr the financing of projects. Then there the Kingdom of Saudi Arabia, whose in the Faysal Islamic Bank in Egypt and to \$5 million each, the Islamic Bank \$7.3 million, and the Islamic Bank of whose capital is \$15 million each.

In March 1981, all Islamic banks were in their own countries and became an

ful of these organizations
Foreign Trade, Contracting
Investment Company (KIC), and
IC) -- in addition to the Abu
nk and the Arab Investment
ation toward the internatio-
ble result of two elements,
, and second, the need to
financial surplus of the Arab
branches in the international
attract new deposits and
context.

s

o banking sector was the
n their activity by Islamic
by participation in profits.
s in various forms, including
a given project or offers it
feasible and capable of
basis of participation in
ation," where the bank offers
provides the project with
participation is applied in
es. "Speculation" may also be
nd equipment and sells that
profit. Islamic banks accept
accounts or investment ac-
y share of the profits, and
the client signs, while
is reserves to various pe-
according to the amount of

e expansion which indicated
onal financial markets. Since
nk in Jiddah in 1979, 19
rld. Other Islamic banks have
a, London and Geneva. Of
House of Financing, whose
of Finance, which was estab-
capital totals \$1 billion. It
eptance of joint deposits to
Islamic Investment Company in
portfolio exceeds \$70 million,
whose paid up capital comes
with a paid up capital of
and the Islamic Bank of Dubai,

d to central bank supervision
art of these countries'

Table One: The Main Arab Banks, 1981,
Have Headed and Administered

Rank among Arab Banks	Rank among Inter- natio- nal Banks	Name of Bank
1	13	Arab Banking Corporation
2	19	Gulf International Bank
3	44	UBAF
4	46	Saudi International Bank
5	60	Kuwaiti Company for Foreign Commerce, Contracting and Investment
6	78	The Arab Bank (Ltd)
7	83	The Arab International Investment Bank
8	100	The National Commercial (Saudi)
9	106	National Bank of Kuwait
10	120	Arab African International
11	127	The Abu Dhabi Investment
12	134	The Arab-European Bank
13	145	The Arab Oil Investment
14	157	The Arab-Latin American
15	161	The Saudi-French Bank
16	165	The Kuwait International Investment Company
17	167	The Libyan Arab Foreign
18	174	The Arab Spanish Bank
19	188	The Kuwait Investment Company
20	191	The Bank of Bahrain and
21	193	The Abu Dhabi National
22	194	The Bahrain Arab-African

banking system. Most Islamic banks have p
commercial context, and a number of them
greater than those of the commercial bank

The Current Situation in the Arab Banking

Arab banks are now playing a prominent ro
markets. It is estimated that the total c
active banks in the European money market
end of 1979 to \$5 billion in 1981. Arab f
share in the European money market from 1
in 1981. At the end of 1981, these agenci
the international loans contracted for in
International Finance Data tables stress
banks contains eight Arab banks among the
engaged in heading up and directing syndi
One). These eight banks combined headed u
\$37.9 billion in 1981, as compared with \$
Arab bank was listed in the table of the

Among the most active Arab banks in the i
Arab Banking Corporation (ABC) and the Gu
two banks were in charge of heading up jo
\$21.9 billion in 1981, thus outstripping
Bank in this regard.

The Arab Banking Corporation started with
of 1981, that is, just 2 years after it w
\$4.8 billion and it realized profits of \$
position in the list of Arab banks partic
the other banks that recorded a perceptib
the UBAF group, the Saudi International B
International Investment Bank group (BAII
Saudi National Commercial Bank.

Arab banks also registered substantial re
nal money markets. The volume of assets a
units in Bahrain rose from \$20.6 billion
1981, the equal of the volume of the fore
pore. In addition, the number of foreign
at present. The list of these units conta
Manhattan, Bank of America, Allgemeine Ba
Tokyo, Westminster Bank, and other intern
mind that an increasing number of Arab ba
foreign banking units, including the Arab
Gulf International Bank (GIB), and, recen

The magnitude of "interbanking" activity
also multiplied as a result of the increa
between 1976 and 1981. In the area of len
relatively high from the beginning, total
remaining around 25 percent after that. M

they are feasible in the
assessed high growth rates,
create themselves.

and international money
this group's 25 most
from \$2.5 billion at the
organizations raised their
in 1979 to 6.9 percent
about 30 percent of
mean market. Caploan
list of international
in the world that are
in 1981 (see Table
international loans worth about
in 1980, when just one
banks in the world.

international money market are the
International Bank (GIB). These
international loans of about
activity of the Chase Manhattan

of \$1 billion; at the end
ended, its balance came to
million and assumed the top
syndicated loans. Among
in assets in 1981 were
Arab Bank Ltd, the Arab
Emirates National Bank and the

In the context of the regio-
nality in foreign banking
about \$55 billion in
the unit market in Singa-
increased from 17 to about 70
such as Citibank, Chase
Societe Generale, Bank of
banks. One should bear in
participating in these
corporation (ABC), the

foreign banking units has
number of these units
volume of assets was
percent in 1976 and
banks in Bahrain were

"syndicalized" or arranged, and Bahrain provided
a valuable capital market and channel for
to Arab countries which need sources of
international deposits in banking units rose from 3
1981.

One major financial development which occu-
ring to was the reactivation of the Kuwaiti
1979, was the most developed market in the
for European bonds, after the American dollar
issue of bonds to the public in this market
and 1979 more than 60 issues of international
total value of \$1.4 billion.

The main reason for the success of the market
relatively low interest rates on the Kuwaiti
of the dinar vis-a-vis the American dollar
receives from the Kuwaiti government. In
government decided to suspend issues of bonds
effort to limit the flight of Kuwaiti pri-
seeking the high interest on the American
Kuwaiti dinar bonds was reopened in August
under the surveillance of the Central Bank
of the new issue not exceed 7 million Kuwaiti
opened, a number of new international bonds
has been taken to stimulate the market growth.

The latest major development in the Arab
has been the "Saudiization" of foreign banks.
The new law now stipulates that branches
mixed companies, with Saudi ownership in
cent. By expanding the capital base of the
permitting the opening of branches, Saudi
sector that is more active and competitive.
mind that the two banks wholly owned by Saudi
Commercial Bank and the Bank of Riyadh, rank
the kingdom in terms of their assets and
have been dominating the market of deposits.
competition from foreign banking units in
banks, there has been a shift in the trade
for the most part in the form of creditor
commercial activities, and it has started
toward medium-range activities and the financial

The list of the 500 major banks in the world
number of Arab banks and financial organizations
magazine, come to 28 (see Table Two). These
these banks, relied on the value of assets
appears that the top five Arab banks in the
Bank, followed by the Saudi National Comm

Arab world that it was international capital the proportion of regional 1976 to 60 percent in

that is worth reference market, which, until the third biggest medium German mark. The first in 1974; between 1974 were offered with a

attributed to the relative stability support the market, the Kuwaiti in Kuwaiti dinars in an reserves, which were over, the market for which it was then put condition that the value Since the market was issued, and initiative

in the last 2 years Kingdom of Saudi Arabia. banks will become Saudi less than 60 per-banking sector and developed a banking. One should bear in mind, the National two largest banks in for a long period Kingdom. As a result of the Saudization of of lending which was other short-term gradual evolution companies.

cludes an increasing h, according to BANKER measuring the size of d for this reason it the Iraqi al-Rafidayn then the Algerian

Table Two: The Top 20 Arab Banks by Assets)

Rank among Arab banks	Rank among international banks	Name of Bank
1	101	Al-Rafidayn Bank (Baghdad)
2	130	National Commercial Bank (Saudi)
3	168	The Algerian National Bank
4	172	The Arab Bank Ltd
5	193	The Bank of Riyadh
6	197	The National Bank of Kuwait
7	221	The Algerian External Bank
8	225	Abu Dhabi National Bank
9	255	UBAF (Paris)
10	258	The Gulf Bank (Kuwait)
11	269	The National Bank (Egyptian)
12	270	The Kuwaiti Commercial Bank
13	282	The Arab Banking Corporation
14	294	The Gulf International Bank
15	296	The National Bank (Kuwaiti)
16	303	The Syrian Commercial Bank
17	329	The Bank of Egypt
18	336	The Saudi International Bank (London)
19	358	The National Commercial Bank (Tripoli)
20	391	The Algerian Credit Bank

ing to the Size of Their

Deposits (Millions of doll- ars)	Pretax Profits (Millions of doll- ars)	Ratio of Pro- fits to Assets
15,777	--	790
9,574	167	8.02
4,973	180	2.31
8,142	91	11.70
5,281	151	9.29
6,581	57	--
3,381	110	--
5,163	26	12.46
5,520	--	--
5,057	28	--
3,332	130	8.20
4,440	41	--
3,770	139	--
4,146	37	15.87
4,232	24	--
2,177	155	--
3,385	126	9.66
3,570	--	--
2,723	--	--
1,720	--	--

National Bank, the Arab Jordanian Bank. In terms of profits realized, before taxes, the top five Arab banks are, in order, the Algerian National Bank, the Bank of Riyadh (Saudi Arabia), the Arab Banking Corporation (ABC), the

The magazine EUROMONEY has presented a ranking of the top 100 banks in the world, based on the banks' assets. The reserves of the participants in the top five Arab banks are as follows: one, the National Bank of Egypt; two, the Saudi National Commercial Bank; three, the Bank of Alexandria; four, the Abu Dhabi National Bank, and

The Future of the Arab Banks

In general, the Arab banking sector is expected to continue to grow, which may turn into a major source of funds for the region. If properly directed and cared for, in the future, the Arab banks may diversification of activities, which will lead to economic development thinking, where the Arab banks will have a high degree of diversification in the financial and industrial contexts. This process is expected to be fully realized in the bank sector.

The Arab commercial banks have exhibited a strong growth to the needs of their governments. In the future, the Arab governments in the financing of the region, in the area, the commercial banks have been financing specific groups in the construction of residential apartments. It is believed that this trend will continue to the construction sector.

In addition, the commercial banks have been financing the sector. It is believed that 10 percent of the financing of commercial sector will be provided by a portion of Arab bank loans in the past. The financing of this sector's activities will continue to be provided by banks for a number of years to come.

The rate of growth of commercial banks is expected to be high economic growth in the area. During the past few years, it was an important motive force for economic growth in the countries. In view of the paucity of funds, it is essential; however, the next logical step for the Arab economy was to create alternatives to the current dependence on imports and to encourage the growth of this sector continues to grow as is the case with the region facing increasing demands from the industrial sector. The relative drop in the share allocated to the bank sector will most likely lead to an increase in the part of customers.

ly the Saudi Bank of Riyadh.
of taxes, the top five
the Saudi National Commer-
an Commercial Bank and the

ranking of the top 500
and reserves, in addition to
basis of this evaluation, the
Arab Banking Corporation (ABC),
the Bank of Riyadh (Saudi),
the Arab Bank.

considered a growing industry
income growth in the area if
of the principle of the
one of the constants of Arab
are trying to realize a
in the local and interna-
p increase the value added

flexibility in responding
the participation of a number
tion and infrastructure work
to respond to the needs of
specially the construction of
percent of Arab bank loans go

loans to the industrial
bank loans go to this sector.
s constituted the main
, and it is expected that
te the activities of Arab

ained in part by the rate of
age the construction sector
opment in the various Arab
ction, importing was always
development of the Arab
that is, to lessen dependence
cal industrial sector. If
e commercial banks will be
ctor, which could mean a
g trade. This development
or medium-term loans on the

Until recently, the main source
short-term deposits with dates
exceed 3 months. If the Arab banks
context of providing medium-term
work to diversify their sources
for a small number of specialized
manifested themselves as sources
banks, and although certificates
than others, a small number of
suing these certificates at floa

The commercial banks will have
to be able, in case of necessity
same time, the increasing use of
essentially increasing volume of
integration between the money mar-
countries of the area.

With the drop in oil revenues and
that for the economic situation
ting the end of the economic boom
Arab banks to continue to grow
in the establishment of bank branches
world. This development might
banks in these centers succeed
term investments, including new
new financing markets and sources

It is of the utmost importance
recognition they need in the in-
financial institutions which are
them, as well as being a main source
scanty now, and the Arab countries
compelled to rely on their commercial
reserves for their development
banks must rise.

The Arab banks have not responded
local private sector. They have
the course of the construction
expected that this situation will
hood that banks in the future will
with the activity of investment
far, a number of investment banks
and they are meeting with notewor-
normally include investment ser-
lios, subscriptions of bonds, and
investment banks will become an
of the region in coming years.

It is also expected that the Arab
activities of Islamic banks. If

ing for commercial banks were
y which on the average did not
o play a greater role in the
r their clients, they will have to
and increase their terms. Except
debt instruments have not yet
n-term revenues for commercial
it have become more widely accepted
cial banks have resorted to is-
xed rates of interest.

more and more to these instruments
Fine their lending policies. At the
struments, as well as the
among banks, will lead to greater
the financial markets in various

sequences that have resulted from
ea, many Arab bankers are predic-
ne Arab region. The only way for
rates might be further expansion
the main financial centers in the
of its feasibility if the Arab
ing Arab reserves in sound long-
ts and projects, and discovering

anks to be able to seize the
l markets as stable, progressive
orrow reserves when they need
nancing. Surplus oil revenues are
Find themselves more and more
ks to provide the necessary
a challenge to whose level the Arab

should to the requirements of the
ly preoccupied in keeping up with
ment bonanza. However, it is
ange, and there is a great likeli-
e the activity of commercial banks
an active, creative fashion. So
en established in the Arab area,
ess in their activities, which
management of investment portfo-
financing. It is expected that
stage in the financial development

will witness tangible growth in the
to account the skills and funds

available to these banks, it is po-
role in the reconstitution of the
of these banks' surmounting of the
commercial banks, one of these ban-
rates of savings that are frozen o-
directed toward productive investm-
countries.

As we pointed out earlier, a large
been active in the market for inte-
loans. It is significant that about
banks provided have been for Arab
ties of Arabs lending to Arabs th-
crease, and it is in the power of
an effective role as an intermedi-
create a prosperous regional money
the Arab world resort to the Europ-
need, it should become possible fo-
in the area. Kuwait has proved th-
capital to the Arab world, Bahrain
center for foreign banking units a-
gradually, into a center of attrac-
will soon once again occupy its di-
cial capital. Direct bank lending
the developing countries, and the
broad dimensions in the coming de-
long run, must not disregard the c-
foriegn reserves by some industria-
the political advantages of direct
in the region will not constitute
countries firmly intend to create
that is, a market that is able to
terms of amounts, maturation peri-
cost of financing to the local bo-

In the desire to encourage commerc-
countries in the area, it might be
joint financing among commercial
attraction in joint financing with
expertise these funds have acquire-
at a time when the commercial bank
oversee projects in the manner in
it might be more appropriate for
financing the short-term aspects
at market interest rates, provided
financing of the long-term aspect
the joint financing of projects in-
ring benefits from the two guaran-
commercial banks, and the reducti-

In summary, the volume and form o-
and continue to witness large, com-

these banks will play a basic role in the Arab world. In view of the "crisis" which distinguishes the region, it is to be able to attract greater investment in the banking sector, which can be a source of various Arab and Islamic

Arab banks in recent years have received international loans which Arab banks are expected that the active role of the European money market will influence Arab banks in the area to play a role as lenders and debtors and to encourage them to have the debtors in the market to provide the loans they receive directly from the banks or through the market for the export of goods, which is as prominent as a prosperous market. It has started to be transformed, and the role of capital. In addition, Beirut has a position as a regional financial center for the Arab countries, especially in the Gulf. In particular, might assume a role before the Arab banks, in the context of foreign dominance of the region. It is normal to claim that the role of investment in the countries of the region is incentive unless the Arab banks create a market for regional capital, and provide lending conditions in the region of type of currency and the

offer direct loans to the region to implant the foundations of development funds. The main role of the funds lies in the unique role of the banks in lending and lending to projects, which are not prepared to develop and investment funds do. For example, the role of the banks to take charge of the funds. Thus assume, the first 3 years, the development funds assume the role of interest. In addition, the role of the banks might result in ensuring the economic and financial, to the role of the banks in the management of risk in them.

The banking sector have witnessed changes although Arab banks

still are relatively young and desire to earn the trust of the region. It is in the ability of the Arab banks to be a basic source of national revenue through activity or through increasing

Beirut AL-IQTISAD WA AL-A'MAL

[Article: "The International

[Text] How did the main Arab banks in the region?

One annual item of research is devoted to strong points in this period of activity, and it also refers to the role of the banks in any event, it is to be noticed that the role of the banks is subject to many variables and is of limited relative significance. It is mandatory that one take the

Here are the most important

In 1982 the Arab banks occupied the top ranking of banks in the world. The magazine EUROMONEY prepares a ranking of the scope of their activities, and the role of the banks have implanted their international role in a few years. They have also undergone a rapid transformation from local banks to an international reputation in the private money category, compared with the world ranking, since 1980, as compared with eight in 1981, and the ranking of the banks, and the role of the banks with 32 in 1981.

Ranking by Profitability

Arab banks occupied the top ranking in the Middle East and North Africa by six other Arab banks among

the challenges they face in the
and the depositor. In addition, it
factor in the eighties to turn into a
region, through international
in the Arab countries.

al Standing

No 51, Aug 83 pp 73, 74

Arab Banks in 1982"]

orm, in terms of international crite-

ublished recently in the West refers
specially as regards high profitabi-
points in the area of productivity. In
international ranking of banks is
from year to year, which imparts
results of a specific year and makes it
a number of years into account.

this ranking and comments on them.

nguished position in the general
annual research study which the
banks, with their activity, the broad
base and their high profitability,
us in a period which does not exceed
important achievement through their
ional banks into large banks enjoying
nce. In terms of ranking, in the
gress is to be observed in Arab banks
banks appeared among the top 100, as
d 15 Arab banks were among the top
ght Arab banks entered the general
Arab banks came to 40 as compared

n terms of profitability: the Bank of
st in the general ranking, followed
0.

Among the first 100 banks i
worth pointing out that the
not show the true picture o
to take stock of the develo
period (3 years, for instar
has become consolidated. Fr
Bahrain and the Middle East
profitability does not cons
having been established in
liabilities (\$120 million),
Arab banks named in the lis

Among the banks which have
profitability ladder, the A
Arab Petroleum Investments
place after having occupied
the Kuwait International In
Dhabi National Bank, and mo
banks in the general rankin
Bank of Bahrain and Kuwait,

Ranking by Assets

Although they occupy 21 plac
the Arab banks do not appea
value of assets, in view of
compared with the major bar
to that was the al-Rafidayn
worth pointing out that the
a time when the foreign bar
aggravation of the crisis o
Arab banks was not the resu
policies in the lending are

Continued economic growth i
tional ones.

The Arab banks' policy of i
strengthening their positio
they have a comfortable fin
choose areas for lending, i

If we look at the developme
banks appear among the top
not absolute proof of the b
differences in priority amo
(Egypt, in particular) whic
priority at the expense of
tion in the number of emplo

profitability, 26 were Arab. It is profitability in a given year does achievements, since it is necessary profitability over a a specific time the degree to which this achievement endpoint, the fact that the Bank of first place in the general ranking of adequate index, since the bank is new, and, in view of the value of its smallest bank in size among all the 40

appear regularly at the top of the stand out. The first of these is the (Apicorp), which occupied second the previous 3 years. Then there are company, the al-Rafidayn Bank, the Abu nks. The progress of a number of Arab ly the Egyptian National Bank and the thy.

general listing of the top 100 banks, st of the top 100 banks in terms of s and modest size of most of them, dvanced countries. The only exception h came in 98th in this list. It is th in assets of Arab banks occured at to reduce their lending with the onal debts. However, the expansion of eplacement of their conservative r the result of two basic factors:

ets, at rates higher than the interna-

d diversifying their services and international banks, especially since ation which enables them freely to d using funds.

profitability of the banks, 10 Arab world; however, this categorization is ional capability, in view of the s. There are some Arab countries iderations of employment specific capability. One can explaon the infla- Egyptian banks in this manner.

Ranking of Arab Banks am

Rank among Arab Banks 1982	General Rank 1982	General Rank 1981	Name of
----------------------------	-------------------	-------------------	---------

1	67	80	Al-Rafid
2	69	63	Arab Ban
3	89	106	National Bank (Sa
4	99	119	Bank of
5	120	129	Arab Pet ment Com
6	130	133	Abu Dhab
7	133	184	Kuwait N
8	141	218	The Gulf
9	143	214	The Kuwa vestment and Comm
10	145	271	The Gulf Bank
11	151	180	The Arab
12	168	226	The UBAP
13	172	257	The Kuwa Company
14	187	202	The Comm (Kuwait)
15	191	183	The Alger Bank
16	247	344	The Saud
17	256	258	The Nati
18	258	243	The Syri Bank
19	264	499	The Nati Dubai
20	267	452	The Bank Kuwait
21	299	330	The Arab national
22	300	321	The Bank the Mido

tional Banks

	Head- quar- ters	Priv- ate Funds (Mill- ions of dol- lars)	Net Pro- fits (Mill- ions of dol- lars)	Total Assets (Mill- ions of dol- lars)	Total Number of Em- ployees
	Baghdad	998.94	596.68	18.62	12,546
y	Manamah	965.65	114.62	7.89	224
	Jiddah	750.22 (1)	168.01	14.89	5,687
	Jiddah	697.52 (1)	171.11	7.77	4,051
est- orp)	Dhahran	523.70	58.20	0.62	99
Bank	Abu Dhabi	483.88	53.97	6.33	1,351
k	Kuwait	474.21	69.28	8.04	1,800
	Kuwait	434.28	40.45	6.27	800
In- ng y onal	Kuwait	426.34	33.99	2.73	--
	Manamah	413.29	50.77	5.89	412
	Amman	400.26	63.33	9.52	3,110
roup	Paris	370.40	27.74	10.97	918
ent	Kuwait	366.64	22.44	1.25	230
	Kuwait	350.22	53.27	6.13	1,521
al	Algiers	342.84 (2)	102.47	7.79	n.a.
Bank	Riyadh	257.60 (3)	60.27	15.10	11,433
	Kuwait	252.54	36.60	4.98	621
al	Damas- cus	251.08	139.15	6.97	n.a.
of	Dubai	245.36	40.90	1.49	n.a.
a and	Manamah	242.94 (3)	35.68	2.27	532
ter-	Cairo	207.72	29.53	2.95	713
and	Kuwait	207.68	22.86	3.53	717

23	328	429	The Ara
24	343	384	The Ara Bank
25	350	479	The Kuw al Inve
26	359	479	The Sau
27	378	--	The Bur
28	404	454	The Nat yptian)
29	412	442	The Sau
30	430	--	The Nat Bahrain

Source: EUROMONEY, spec
1983.

1. Figures of the Natio
1979, 8 November 1980,

Figures of the Bank of
1980, 4 May 1981, and 2

The Bank of Egypt has m
year begins; since 1980

2. 1981 figures.

3. Does not include fig
(totalling 50 percent).

11887

CSO: 4404/621

ank	Riyadh	192.30	74.67	1.80	2,016
ican	Bahrain	183.78	18.64	2.18	n.a.
ion-	Kuwait	179.70	28.69	0.63	105
ny					
nk	Jiddah	175.43	69.39	2.54	1,327
	Kuwait	165.75	15.65	1.72	360
Eg-	Cairo	154.43	90.29	5.72	6,487
ank	Riyadh	148.34	41.95	1.67	1,149
f	Manamah	139.73	54.10	1.18	412

the top 500 banks in the world, June

al Bank for the years ending 19 November
1981, and 17 October 1982.

the years ending 26 May 1979, 14 May

in the date on which its accounting
year ends on 30 June instead of 31 December.

bank's share in its organization in Oman

ARAB BANKERS TO F

Paris AN-NAHAR AR

[Text]

INTERNATIONAL AFFAIRS

COMPETITION

MEMO in English No 41, 10 Oct 83 pp 8-9

... expect stiff competition for business
... banks and a fall in the assets of offshore
... in July to their lowest level since Feb-
... et another signal that the heat has been
... rding to the Bahrain Monetary Agency,
... ets of offshore banks dropped to \$55.54
... om \$56.47 in June. They reached their
... last year when they hit \$61.14 billion.
... time, however, it is clear that Arab bank-
... of defences against outside competition.
... owth they have sustained since the first
... l prices in 1973. And their biggest growth
... e past three years, according to a study
... issued last month by Middle East Petrol-
... mic Publications. The study, by Mehran
... cluded that Arab banks have "succeeded
... impressive array of services and have a
... rd." The two portions of the banking
... b banks have carved for themselves sign-
... s, the study asserted, were syndicated
... y now account for about 10 per cent of
... t, and bond issues.

... surpluses amassed by the Arabs during
... diately after the first increase in the price
... sited in non-Arab banks, the study noted.

... s, the growth achieved by Arab bankers
... 74 and the second large rise in oil prices
... nd them in a much stronger position to
... age Arab petrodollars.

... sed involvement in syndicated lending
... ssive. Arab banks had a scant 2 per cent
... rket in 1977 and they have thus increased
... nt fivefold since then. Most of the money
... icated loans by Arab banks went to Arab
... rding to the study. Arabs accounted for
... r 44 per cent of the \$32 billion raised for
... s by Arab bankers between 1977 and
... s in Western Europe obtained \$6.1 billion
... Latin America took \$5 billion or 15 per
... borrowers obtained \$4.3 billion or 13 per
... revealed.

Three banks, Gulf Intern
ing Corporation and the Ar
standing leaders in loan sy
GIB arranged loans for a
1977 and 1983; ABC, whic
was responsible for loans w
the Arab Bank trails behind
the amount raised (less than
significance as the most impo
ers. The bank, which has its h
90 per cent of its business
study noted.

According to the study
shift in the balance of power
of banks located in the Gulf
banks outside the Gulf. Arab
their share of Arab lending
market in 1977 to 25 per c
banks meanwhile increased th
from 4 per cent to 30 per cen
raised their share from only
per cent in 1983.

The international bond
tougher challenge for Arab b
cause "traditionally, bond is
small elite group of internati
banks and financial institut
for bond issues totalling \$6.
1983, with Kuwait's "three
Company, the Kuwait Foreign
Investment Company and th
vestment Company) among th
and the National Bank of Ab
Arab bank involved in the
issues, most notably floating
that banks outstripped financ
arranging \$3.4 billion in issu
while the financial institution
worth \$2.9 billion during this

The study did not consi
Arab bankers. It cited a numb
is said bankers "cannot ignore
their hard-won gains." These

- "The increased risk o
has reduced the volume of bu
in 1983;

- "Lower revenues in th
the demand for big syndic. ted

- "Arab banks still recei
big government deposits;

- "Operating costs for

CSO: 4400/30

growing faster than for banks in other locations."

The study did not accept Western assertions that Arab banks enjoyed special advantages. Arab banks, the study said, were facing "exactly the same problems as banks of similar size in other countries." It added that they "may even be at a disadvantage in competing with the biggest international banks."

On the whole, however, the study forecast that Arab banks would come through what it described as the coming "very tough" five years with colours flying because of their encouraging growth in recent years and their "flexibility and know-how."

Insofar as Bahrain's offshore banks are concerned, the decline in assets appears to stem from a combination of factors that include the economic slowdown in the Gulf, the aftermath of the collapse of Kuwait's unofficial Souq al-Manakh stock exchange and restrictions imposed by the Saudi Arabian Monetary Authority on offshore loans denominated in Saudi Rials. The high cost of doing business has also prompted a number of offshore bankers in Bahrain to pull in their horns.

According to the Bahraini authorities, offshore banking assets denominated in dollars fell between June and July but assets in regional currencies rose slightly. Dollar-denominated assets were worth \$40.81 billion in July, down from \$41.91 billion in June, while assets denominated in Gulf currencies went up from \$10.03 billion to \$10.42 billion. The same pattern was seen on the liabilities side of the balance sheet, with liabilities denominated in dollars falling from \$37.95 billion in June to \$36.85 billion in July. Liabilities in Gulf currencies meanwhile increased from \$14.38 billion to \$14.67 billion.

There were falls in both inter-bank assets and liabilities, according to the figures issued by the Bahraini authorities. Assets held with banks outside Bahrain were reduced from \$27.67 billion in June to \$26.76 billion in July while liabilities to banks outside Bahrain went down from \$29.27 billion in June to \$28.2 billion in July.

A breakdown of the geographical location of the assets of Bahrain's offshore banks showed a significant drop in those placed in Western Europe and a lesser fall in those in Arab countries coupled with a slight rise in placements in North America. Assets in Europe fell from \$15.82 billion in June to \$14.38 billion in July; those in North America rose from \$1.54 billion to \$1.78 billion; assets in Arab countries fell from \$26.26 billion to \$26.11 billion.

The offshore banks were likewise less active in their forward purchases of currencies in July. These purchases declined from \$18.8 billion in June to \$17.61 billion in July, according to the Bahrain Monetary Authority.

BUDGET, TAX PROPOSALS

London AL-SHARQ

[Article: "Egypt To Increase Revenue"]

[Text] The new days before that committed its financial the outgoing 198

The statement de covered five basic objectives.

--In the area of direct taxes discriminate upward with the nature, areas of investment

--In the area of the central bank place in the quality between real growth payment.

--Public and private mandatory fixed targeting people on reach those who

--Exports, which is to be set on goods. Goods that investment and

--Finally, the balance in the points:

EGYPT

CONTROVERSY

Arabic 7 Aug 83 p 3

et and Taxes; Government Resorts to Indirect Taxation
es Vehemently Criticize Budget"]

in Egypt began on the first day of last July. Fifteen
ment--the government of the National Party--had sub-
ent covering the financial and economic situation of
et and the plan for next year's budget, for 1983-1984.

the minister of planning to the Egyptian parliament
or the achievement of the plan's economic and social

policies the plan is inclined to increase the ratio
taxes. The plan also strengthened the tendency to
nwards between the rates of direct taxes in accordance
cation and mode of economic activity so as to serve
e determined by national priorities.

and credit policies the plan strengthened the power
tor bank operations to ensure that no expansion take
means of payment so as to correct the relationship
national product and growth in the method and means of

er spending is to be set on a right course. Lists of
to be set on a right course for the purpose of protec-
s, or firm measures are to be taken to make subsidies
d to them.

ercent last year, are to be increased, and consumption
rse so as not to affect the availability of essential
ted without converting currency are to be confined to
y commodities and to essential consumer goods.

adopted specific steps to correct aspects of the im-
gypt's labor force. [The following] are among these

--Wages are to

--The principle
sites.

--Government an
course is to be

--New projects
graphical redis
redistributing

The New Budget

There has been
supported it, a
in the new budg

Opposition lead
Assembly as wel
said, "When we
last year. We h
implemented so
was one for ado
eliminate the r

"We also find t
have not been a
sidies and it w
reduced signific
into account. Th
of the people an
a policy that w
the years." The
cerned, I think
policy set forth
revenues, it wil
tax exemption 3
income tax repor

Growing Problems

Engineer Hasan I
view of the new

Engineer Durrah
The rise in the
continuing defic
ness. There is a
be confronted de

He added, "We wa

face up to the s
responded and in
imposed on the u
effect a year ag
on luxury cars,

Reducing Subsid

Mustafa Kamil Mu
said, "A quick
which are [the f

"The total defic
the 1982-1983 bu
line by 200 mill
Finance is borrow
ces as well. Thi
amounts to 281 m

"The government
Egyptian treasur
one of the most

"The 1983-1984
salary increases
amounts listed i
million pounds.
employees in 198
the inflation ra

"It is our opinio
should not in an
of 28 percent of
funds from other
could have been

"The Ministry of
on upper income
This, however, c
an increase in t

"Subsidies decli
opinion, this [t
gradually. [We a
in the current s

"Private sector
Such meager inve

Finally, Mustafa
"I challenge any
with those varia
make demands and

stage in popular housing and in other areas. The state
on recreational commodities. We asked that fees be
ary drainage, and I submitted a proposal to that
was not implemented. We also asked that taxes be raised
on those cars rose only 10 percent."

dent of the Liberal Party commented on the budget and
the budget statement clarifies several facts among

draft 1983-1984 budget exceeds the total deficit in
7 million pounds. However, the final deficit did dec-
The explanation for that is that the Ministry of
money from social insurance funds and from other resour-
med by the fact that the interest owed on local debts
nds.

with this deficit by issuing new currency against
this is what is called borrowing from the banks. It is
reasons why inflation rates have been rising.

appointed government employees who had hoped to receive
ould cope with the burdens of the cost of living. Total
et to improve the conditions of workers amounted to 334
percent of the total wages of salaried government
is a small percentage that does not even cover half
30 percent.

nds appropriated to improve the salaries of employees
e been less than 700 million pounds, or the equivalent
e Ministry of Finance could have come up with those
For example, the cost of electricity or drinking water

esorted to a method whose aim was to increase taxes
n the hope of increasing revenues for the treasury.
o a decline in investments and a reduction rather than
revenues.

04 billion pounds to 1.686 billion pounds. In our
sound one, and we suggest that it be continued
] that wages be increased to double the proposed rates
.

s are no more than 20 percent [of total investments].
l short of bringing about an economic revival."

and concluded his commentary on the budget by saying,
e up with a government that can implement this plan
inconsistencies. Despite all that, we will continue to
a until God determines what is to be done."

The Budget and

Isma'il Sabri
Party, indicated
fiscal budget.
the 1983-1984
lems the countr
as well as a po
ment did not fa
in the past, an
net deficit of
total deficit t
The statement s
and of the rise

Mr Sabri 'Abdal
it was impossib
ment intended t
truth about the
ment only compa
budget without

"The principal
not measure up
facing the coun
solution, and i
years.

"There is still
state ought to
to increase rev
groups in socie

Mr 'Abdallah we
is the fact tha
is that if we w
would find that
What is curious
with the recomm
talking about.
amount to 2 bil
pounds in 1983-
resent more tha
ment's plan. Th
in public polic

"Although part
prices for a nu
of that coin is
the right cours
entitled to it.
ding the contri

Solver

member of the General Secretariat of the Grouping Party had issued a statement commenting on the latest financial statement on the fact that it attracts attention in the financial statement on the simplified and honest presentation of economic problems and of foreign factors that have had a negative effect on the conditions of the Egyptian economy. The statement on the country's actual financial conditions, as was the case with the financial statement, emphasized that it was the duty of the government to distinguish between the total deficit and the actual deficit. The financial statement emphasized that it was the duty of the government to distinguish between the total deficit and the actual deficit. This year's total deficit rose over last year's. The danger of our continued reliance on foreign countries and the danger of our continued reliance on foreign countries is a danger to the country's independence.

However, the financial statement was so terse that it did not stand the financial and economic measures the government had taken [that regard]. The statement also did not include the situation in the year ending 30 June 1983. The statement compared the new budget with those of the previous years and took them into account.

What is worthy of note is that the new budget does not confront decisively the real problems that are the cause of income distribution are still pending without a solution [in the meantime] has been declining significantly in recent years.

Luxury and waste in public spending at a time when there is a shortage of funds. Financial policies and measures are still unable to cope with the situation when huge fortunes are being amassed by certain groups.

One of the principal features of the new budget is the reduction in subsidies. In that budget are reduced by 17.4 percent. The truth is that if we take the inflation factor out of the subsidy figures, we find that the reduction in subsidies amounts to at least 30 percent. The budget's position on subsidies was not compatible with the 5-Year Plan, which the government is always following. In the plan, the subsidy this year was expected to be about 2.88 billion in 1981-1982 prices. That would be about 2.88 billion. Thus, the subsidy listed in the budget does not represent the subsidy that was determined in the government's plan. The reduction in the subsidy constitutes a fundamental change in the government's policy, which was announced by the government in its plan.

The reduction in the subsidy is due to the fact that import prices of important goods that are subsidized fell, the other side of the coin. The government's financial statement called, 'setting the subsidy' and restricting it only to those who are entitled to it. The financial statement contained no explanations regarding the reduction of the subsidy by each of these two factors to the reduction of the

subsidy. In the financial statement, it is intended to show the cause of the fact that the subsidy is also a decline in the distributed during the up report the

"In view of the fact that the only thing we have is the logical position of the government. Our party has to be funded

"Finally, but the cause budget by 354 million in the new b

8592

CSO: 4504/55

e statement did not reveal the method the government
uce the subsidy. Actually, this is something that gives
kes us doubt the government's intentions. Despite the
ell in the fiscal year that is about to end, there was
antities of the most important staples that were dis-
t 9 months of this year. This is according to the follow-
d by the Ministry of Planning.

nt's mysterious position on the matter of subsidies, the
remind the government and the people of our party's ideo-
matter. Our party considers subsidies one of the impor-
correcting disparities in the distribution of income.
order for subsidies to perform that function, they ought
nues.

have revealed the falsehood of the claim that subsidies
d increase inflation. Although subsidies were reduced
he budget deficit did not disappear and deficit financing
ed by no more than 200 million pounds.

LABOR PARTY

Cairo MAYU

[Article: "Forced To C

[Text] The
Party, to t
popular ral
People in t
president,
Cairo. Mr S

Engineer Ib
Suwayf, the
Egypt. Mr S
chapter the
Biba. The p
[farm] al-M
to a mosque
were closed

Engineer Ib
He was comp
the party w
chapter of
were follow

There was a
neers refuse
who knew hi
from al-P
2,000 and 3
neer Ibrahim
soon as he l

MAYU's Comm
to fail. The
July failed.

it to be
Days at
birthpla
of peopl
lights.

EGYPT

8592
CSO: 450

UNSUCCESSFUL' CAMPAIGN TRIP DETAILED

Aug 83 p 1

Leader's Campaign Trip to Bani Suwayf Fails; Party Leader
[Trip and Return to Cairo"]

Trip of Engineer Ibrahim Shukri, president of the Labor
Party of Bani Suwayf turned out to be a dismal failure. The
Engineer Shukri tried to convene in Bani Suwayf also failed.
The town refused to receive the leaders of the party, and party
leader Ibrahim Shukri was forced to cut short his trip and return to
Cairo. He intended to be on that campaign trip for 10 days.

Shukri had started his campaign trip in the governorate of Bani
Suwayf which the party's activities were to be launched in Upper
Egypt. He chose Bani Suwayf in particular because the party has a
chapter there and has three other committees in al-Fashn, al-Wasti and
al-Bahariya. The Labor Party began his trip with a visit to 'Izbah
where the people turned away from him completely. When he went
to the mosque, the people went to other mosques. All the stores in the town
were closed. The town was in a state of total strike.

Shukri convened a meeting with the party's chapter in Maymunah.
He was surprised when he received resignations from members of
the chapter in the home of Muhammad 'Abdallah al-Wakil. The entire
chapter with which he had met resigned, and these resignations
came from the al-Fashn chapter.

Shukri went to al-Fashn when the Society of Agricultural Engi-
neers was to receive him. He was received by only two members of that society
and the minister of agriculture. The failure of the trip moved
Shukri to the city of al-Wasti where Engineer Shukri expected between
500 and 1000 people would attend the Labor Party's popular rally. But Engi-
neer Shukri found only a group of young boys and children who left as
soon as he began his speech.

This is not the first time for the leader of the Labor Party
Ibrahim Shukri. He had convened in Alexandria to celebrate the 23rd of
August in Basyun in al-Gharbiyah [also] failed. He had expected

ing point for the party in the central Delta. The rally at
ahliyah) [also] failed. This town is close to Shirbin, the
leader of the party. That rally was attended by a small number
hom were young boys who were drawn to the rally by the bright

QUEST

Cairo

/Article
prese

/Text/
the M
libera

The g
paras
to "ee
at the
sovere
expans
decrea
mates
is est
exempt
the po
decrea
will,
result
as ho
compet
sitic

Exempt

The ar
the ge
economi
ence t
policy
will b
trends
absolu
abroga

EGYPT

EXPLOITATION BETWEEN CUSTOMS EXEMPTIONS, SMUGGLING PROBED

Customs Exploitation

AL-QATISADI in Arabic No 761, 15 Aug 83 pp 14-16

by a Imam: "Will the Exploitation of Customs by the Entrepreneurial Class Stop?"

The issuance of the Law on the Regulation of Customs Exemptions, the Ministry of Finance is starting to correct customs loopholes in economic policy in Egypt.

The widespread practice of granting customs exemptions to every person who happens along, on the claim of his contribution to the nationalization, made it possible to realize tremendous fortunes for the overwhelming majority of the people and the government's revenues which have been harmed because of this greatly expanded practice, especially the exemptions which were issued by laws and decrees to 83 in number. According to Ministry of Finance estimates, the value of the customs duties lost to the government in 1982 was about 3 billion pounds. Of course, part of these sums are for agricultural and food commodities for the government and a substantial portion arose as the result of special laws and decrees. The Ministry of Finance estimates that the law on new exemptions will add 1 billion pounds to the government budget this year, as a result of many exemptions, as well as realizing other goals, such as stabilizing local market prices, protecting local industry from unequal competition and encouraging it--and limiting the constant growth of para-

Government's Goals

The Law Regulating Customs Exemptions reflects the fact that the tendency is to link exemptions to objectives serving true national development and failing to impart a character of permanent exemptions granted. Indeed, one can say that the government's policy in granting of exemptions, in the sense that exemptions serve economic policy goals, which can change in accordance with economic policy, and changes in its objectives. Therefore, the law on exemptions which were granted to numerous persons and bodies has been replaced by laws and decrees, and it has been decided to give the

Finance the power to grant exemptions on the basis of recommendation of a competent minister. The significance is obvious: the minister through this law, will try to carry out the government's policy of encouraging, or failing to encourage, specific types of activity.

For Major Activity

Regarding the provisions on exemptions stated in the laws on authoritative and benevolent societies, professional unions and so forth, these exemptions in the new law and restricting these entities' to the requirements of their main activities.

If any exemption is granted to a sports club, this exemption is restricted to sporting activity accessories, and will exclude passenger vehicle, unless an explicit stipulation exempting this class of vehicle is made.

With respect to new projects, the law restricts exemptions to construction requirements. Customs duties will be paid on materials imported at startup. Therefore government encouragement of new projects will be limited to the construction and startup stages only.

Is Considered Evasion

To achieve greater control and deter people who dispose of things which have been exempted, the law has decided that disposition of these things by other means will be considered evasion of payment of customs duties. In accordance with the law, persons who disposed of these things would be liable in addition to the customs duties owed.

Exception!

Which the articles in the law reflect are an expression of the departure of financial authorities in the government to correct the situation which has been caused by the application of the policy of liberalization in recent years, when many items of legislation and decrees issued giving customs exemptions to many productive and non-productive activities, persons and various bodies without referring to the Ministry of Finance, which is the body responsible for granting these exemptions, matters were turned upside down and "exemptions" became the rule instead of tax the exception. Since 1978 the Ministry of Finance has been trying to bring this runaway horse of exemptions and has expanded sic the exemptions in the Customs Tariff Law issued in 1980. However, the exemptions have continued, and indeed increased. In fact, numerous bodies have continued to obtain customs exemptions without objective justification for the public interest.

Reflected in the Ministry of Finance figures, where the value of imports exempted by special laws surged from 7.07 sic million pounds in 1979,

... duties of 505 million pounds were due, to 775 million pounds
 ... 734 million pounds were due, then 807 million pounds in 1981,
 ... million pounds in customs duties were due.

... by the Government Because of Expanded Special Exemptions
 ... (in millions of pounds)

Imports on which duties were paid		Imports released from customs with exemptions by virtue of special laws	
Value of im- ports	Customs taxes collected	Value of im- ports	Customs taxes not collected as a re- sult of various exemptions
1,267	905	707	505
1,415	1,341.5	775	734
2,325	1,526.6	807	529

... Department, Ministry of Finance.

... ant Acts

... finance followup has shown that these exemptions by laws and
 ... have failed to continue to be aimed at attaining the purposes
 ... were stipulated, and indeed have caused great losses to the
 ... ry and the people. There are various examples of this.

Rose

... e customs exemptions which were granted to import foodstuffs
 ... eat, fish and fowl, the prices of these commodities did not
 ... the increase in their prices escalated. Likewise, in spite of
 ... which were granted for accessories to produce shoes and leather
 ... natural and artificial leather of various types and tanning
 ... price of shoes and other leather products on the market did not
 ... they increased. These indices mean that the only persons bene-
 ... se exemptions were a greedy minority. These exemptions con-
 ... sitic growth in the incomes of certain groups and an increase
 ... tivities in import areas. These effects led to a constant
 ... cess of local products, with the result that their prices ap-
 ... of foreign goods.

... s led to inequities in the various sectors of government.
 ... es were enjoying exemptions, others were suffering from unequal

to be observed that many companies and government bodies resorted to imports to an extent greater than estimated in the investment

Exemptions Are Absolute and General

The Ministry of Finance has noted that the exemptions granted to such entities as cultural cooperative societies and so forth were not restricted to exemptions on the societies' accessories but extended to their members and in-luxury goods which had no relationship to the activity of the society itself. The reason for that may be explained by the fact that these exemptions appeared in laws or decrees which established these societies and appeared in "absolute" form. For example, the stipulation would be that fixed and moveable property of the unions and branch unions and their activities, whatever their type, will be exempt from all taxes, stamp duties, and revenues imposed by the government or any public authority. These stipulations would often raise problems for the Ministry of

Reconstruction

which led to laxity in the grant of exemptions occurred in the case of Law 3 for 1975 amending Law 62 for 1974, granting absolute exemptions to those operating in redevelopment and leaving the process of defining exemptions to the minister of housing, and Law 14 for 1981 bearing on cooperative societies which gave the competent minister the power to set out lists of exemptions after notifying the minister of finance. A great expansion occurred in the exercise of this power, without justification, when exemptions were granted to contracting and subcontracting bodies dealing with the minister of housing, which without a doubt harmed the sovereign revenues of the state.

Foreign Company's Reply

The abuse of exemption benefits occurred when many companies that were granted exemptions used them to expand their commercial activity rather than to increase productive activity. One gross abuse occurred when companies producing electronic sets were not at all concerned with the assembly process and made their profit by importing fully manufactured sets which were exempted from import duties for the purpose of realizing profits. The memorandum of the Ministry of Finance, Dr Salah Hamid, to the Council of Ministers asserted that the Al-Nasr Television Company imported fully manufactured sets and offered them on the Egyptian market directly without performing any manufacturing operations on them.

age

On the other hand, the policy of laxity in the grant of customs exemptions in the past has led to much damage to the national economy, which one can see from the following:

the sovereign revenues of the government because of the great exemptions without rules.

local industry because of inequality of market competition between goods and similar local ones.

ness to the growth of fortunes from parasitic activity and the a revolution in incomes in the society.

establishment of the jurisdiction of the Ministry of Finance as the body for granting exemptions and determining the necessary rules for applying them for the purposes for which they were stipulated.

and the Government's Objectives

The recommendations of the Ministry of Finance and other ministries have the need to link tax exemptions to the realization of the goals of the government's economic and social plan made their appearance.

strengthening up surveillance over exempted goods and the failure to dis-

grant a body more than one customs exemption.

exemptions to principal activities.

If exemption should belong to the minister of finance and should not be on commodities exempted by laws or exempted in accordance with customs. Therefore, one can control the use of customs duties as one of the government's political, economic and social tools.

Customs Head Interviewed

AL-AMMAN AL-IQTISADI in Arabic No 761, 15 Aug 83 pp 17-19

Interview with Husayn Amin, Director of the Customs Department: "How did the Situation Turned Upside Down and 'Exemptions' Become the Rule, While Customs Duties Was the Exception?"

Husayn Amin, the first deputy minister of finance and director of the Customs Department, talked to AL-AHRAM /AL-IQTISADI on the political goals of the Law Regulating Customs Exemptions and the steps taken to apply it.

He stated that the Ministry of Finance is now preparing the executive bill which will include the executive measures and will be issued soon.

On the philosophy behind the law, Husayn Amin said, "Customs exemptions in recent years have become greatly inflated, which has had an effect on the government's sovereign revenues and is not bringing about equity between bodies which enjoy exemptions and those which have not received them. In addition, a number of bodies have used the exemptions for purposes other than those for which they were allocated, realizing fortunes at the ex-

of the citizens and the government, for instance certain tourist products which were diverted toward the sale of exempt commodities. The absence of rules helped in that, although we participated with the Ministry of Tourism in forming committees to investigate the exempted items, to make sure they were being used for the purpose for which they were exempted. We had some violations. The violations exist not just in tourist activity, but also in numerous bodies, to the point where exemptions have become the rule and paying taxes the exception."

Exemptions to Subcontractors

asked, "How did this laxity in granting exemptions come about?"

answered, "The exemptions appeared in the laws and decrees bearing on bodies which were being established or were permitted to engage in activities and assumed an absolute, general form. This means that the exemptions not only included the main purpose but also extended to peripheral activities. It is to be observed, for instance, in the case of bodies dealing with the development of the Ministry, that exemptions were not just restricted to redevelopment companies and contractors, but also extended to subcontracting companies, where these companies were importing things which had no relationship to redevelopment.

Fortunately, the exemption decrees assumed an absolute form. We entered into disputes with them and sometimes resorted to the judiciary. They said the stipulation is a general one--why the restrictions?"

asked, "When they issued this law and the special decrees, the legislators were not aware that they would appear in general form, without rules?"

answered, "What happened was that the stipulations on exemptions would consist of an article in the law bearing on the union, the society, the company, or not, not a customs law. Unfortunately, the person who set out this stipulation in the special laws did not strive for accuracy in setting the rules. He was essentially concerned with the special provisions on which the law was issued, and not the exemptions.

It is certain that great excesses have occurred in the grant of exemptions. A number of laws and decrees bearing on exemptions totalled 83. These laws and decrees have become numerous in recent years, and that may be attributed to a number of reasons, among them:

1. application of the policy of economic liberalization.

2. expanded establishment of union and people's organizations as a result of the trend toward democracy. Thus the exemptions granted to unions, political parties and federations have been expanded."

Truth of the Figure

asked, "You made a statement that the government lost a total of 3 billion dollars last year. What is the truth of this figure?"

d, "The figure is correct. However, included in that figure are im-
port commodities which the government imports and subsidizes. Had we ex-
pected that the new law regulating exemptions would add 400 million pounds to
government's budget, we would not have thrown out all the exemptions.
Previously, it was not expected that the 3 billion figure would revert to
government budget. If the exemptions of some bodies and persons have been
reduced, that has been aimed at limiting imports and encouraging local
production.

tions in the new law are granted for the main loan /sic/ of the activ-
ity and exemptions to subcontractors are eliminated."

d, "Do you believe that the large figure on exemptions, 3 billion pounds,
is the reason for the big deficit in the government budget?"

d, "No, no! The expanded exemptions have had an effect on government
expenditures, but some of these exemptions have been granted for essential commod-
ities for the people, and the government subsidizes them, while some have been
granted to entities that are entitled to government attention, for instance
exemption for productive projects. One of the government's objectives is
to encourage productive investments, since the project will ultimately revert
to the people. We have granted these exemptions for new projects in the Law
of Corporations. Exemptions have also been granted to tourist installations
at the stage of project construction. After the project is put into op-
eration, there will be no reason for the exemption to continue. This is in
accordance with the demand that some tourist projects might make, for furniture
and other things of the like. For these, they will have to pay the government. As
for the foodstuffs that tourist installations import, the exemption for
that will continue.

In addition, the exemptions granted to national projects and public facili-
ties are continuing. These projects need continuous government subsidization."

Type of Exemptions

d, "What type of exemption does the law contain?"

Answered, "These are, one, exemptions stipulated in accordance with the law,
such as the government's basic facilities, in the form of electricity, petrol-
um and railways. These exemptions are stipulated by law and are ongoing.

Exemptions which depend on the issuance of a decree by the minister of
Finance, on the basis of a submission by the competent minister. These exemp-
tions existed and were numerous, and there were no rules to them. They were
classified in two ways: their exemptions were restricted to major activities,
the exemption decree was issued by the minister of finance in accordance
with the recommendation of the competent minister.

Also, some projects which are exempted 'by authorization,' by decree of the
Government, such as the Arab and foreign investment companies.

Agreement has been reached with the Investment Authority that it is to set out specific rules for projects that are to be exempted if they are not entitled to deferments, payment in instalments, or the like."

General Rules

Musayn Amin went on, "However, there are general rules which apply to everyone.

First, the exemption must not include exemptions for passenger cars and furniture, unless it specifically stipulates that.

Second, the exemption must include the main loan /sic/.

Third, exemptions have been eliminated for subcontractors, such as contracting firms which deal with the Ministry of Redevelopment. As regards companies which deal with government bodies, there is no objection to a temporarily releasing their requirements; after the end of the project, they will be re-exported or the customs duties due by them will be paid.

Fourth, it is prohibited to dispose of exempted goods, since the exemption is considered a sort of subsidy, and people who dispose of these things are to be considered in evasion of payment of customs taxes."

Unions and Political Gains

He stated, "Some vocational unions have expressed protests against the elimination of their subsidies, on grounds that they were a gain which they realized and that they have no other resources. What is your answer?"

He said, "The protests of the Federation of Unions were based on the consideration that what the unions realized was a political gain that could not be relinquished. The fact is that the professional unions should be more careful to encourage local production, not encourage imported products. In addition, the total of everything all these unions import does not exceed half a million pounds.

"In my opinion, the unions' support for the guidance and regulation of exemptions is a political gain for them, and not the opposite!"

Why Furniture?

He asked, "Why the insistence on eliminating exemptions on imported furniture?"

He said, "Simply because we in Egypt now have a furniture industry which can meet the requirements of the local market. Our task is to encourage domestic industry, not just in furniture but also in medical equipment."

And an Executive Bill

He asked, "Is there an executive bill for the law? What does it contain?"

Waiting for Results

/Question/ Do you expect that other decrees will soon be issued to complete the formulation of the experiment, in accordance with the policy of partial solutions?

He said, "I do not expect so. It will be necessary to wait for the results of the current formulation experiment and the results of the latest decrees, as well as the current trends toward industrialization."

/Question/ In my /sic/ imagination, how much time would it take to turn the city into an industrial zone, and what is your conception of that?

He said, "About 2 years, at least, before any other decision is taken. At present there are industrialists, and there are projects which were established in accordance with Law 43 for 1974 in the industrial area at the entry to the city. My conception is that it will be an industrial and marketing area for Egyptian products and some good imported ones. Thus Port Said will be a great commercial and marketing market."

Customs Exemptions

Cairo AL-AHRAM AL-IQTISADI in Arabic No 761, 15 Aug 83 pp 19-20

[Article: "62 Laws on Customs Exemptions Since the Start of Liberalization"]

/Text/ From the end of the 1950's to early 1983, 83 special laws were issued exempting many government, private and union bodies from customs duties on the necessities they import. Of these, 62 were issued in the period from 1974 to the present. 1974 was the year which witnessed the start of economic liberalization in Egypt. This is apparent from the following historic review of the laws on special exemptions.

The laws at the end of the fifties:

Law 204 for 1957 exempting contracts on arms purchases from taxes, duties and financial rules.

Laws of the sixties:

Law 147 for 1960 exempting television sets and their spare parts and films imported for television broadcasting from customs duties and interest, and Import Decree 261 for 1960 exempting international music records from customs duties and import duties.

Law 44 for 1961 exempting television sets and their spare parts and television broadcasting films imported for the government and public organizations and companies in their name from municipal levies.

Law 65 for 1961 exempting functioning delegations of the United Arab Republic abroad, their affiliated employees and employees on loan to the United Nations and specialized agencies from customs duties and interest, municipal levies and other local levies /and/ Law 85 for 1961 exempting water resource cooperative societies and cooperative societies of various types in the border governorates from certain taxes and duties.

Law 24 for 1962 exempting cultural movies from countries not belonging to the Geneva agreement or the UNESCO agreement from certain levies and interest.

Law 66 for 1963 issuing Customs Law 32 for 1964 regarding private societies and organizations.

Law 37 for 1964 determining certain exemptions from custom duties.

Law 48 for 1965 exempting certain agricultural accessories from taxes and levies.

Law 31 for 1966 establishing the Union of Agricultural Professions.

Law 68 for 1961 /sic/ decreeing certain customs exemptions and abrogating Law 76 for 1968 decreeing certain customs exemptions.

Law 79 for 1969 on the Union of Educational Occupations abrogating Law 219 for 1951 establishing the Union of Educational Occupations and laws amending that.

Law 80 for 1969 on the Union of Scientific Occupations abrogating Law 261 for 1955 establishing the Union of Scientific Occupations and laws amending that.

Laws of the seventies:

16 /sic/. Law 76 for 1970 establishing the Journalists' Union and abrogating Law 66 for 1955 organizing the Journalists' Union.

17. Law 66 for 1971 establishing a general authority by name of the Social Bank.

Law 100 for 1971 issuing the General Intelligence Law.

Law 40 for 1972 establishing the Commercial Workers' Union.

Law One for 1973 regarding hotel and tourist installations.

Law 20 for 1973 exempting materials imported for the armed forces of Arab countries located in the Arab Republic of Egypt from customs taxes and other taxes and duties.

Law Two for 1974 exempting the properties and moveable assets of the Permanent Joint Nile Water Technical Commission from customs duties and taxes.

Law Seven for 1974 establishing the Arab Oil Pipeline Company (Sumed).

Law 23 for 1974 decreeing certain tax exemptions for movie theaters.

Law 43 for 1974 issuing the statute on the investment of Arab and foreign money and the free zones.

Law 62 for 1974 regarding certain provisions bearing on redevelopment.

Law 66 for 1974 regarding the Engineers' Union.

Law 67 for 1974 regarding the Union of Applied Artistic Occupations.

Law 86 for 1974 decreeing some tax exemptions for Egyptian projects established in the context of the development plan.

Law 122 for 1974 decreeing certain customs exemptions.

Law 21 for 1975 decreeing some customs exemptions for Alexandria Shipyard Company work.

Law 27 for 1975 decreeing certain customs exemptions.

Law 28 for 1975 decreeing certain customs exemptions.

Law 55 for 1975 issuing the law on the statute granting commitments to the Department of Public Transport Facilities for passengers in vehicles.

Law 61 for 1975 regarding the decreeing of certain customs exemptions.

Law 75 for 1975 regarding imports of passenger vehicles or motorcycles for people injured in military operations, exempting them from customs duties.

Law 77 for 1975 issuing the law on private youth and sports care authorities.

Law 79 for 1975 issuing the Social Insurance Law.

Law 88 for 1975 decreeing certain customs exemptions.

Law 90 for 1975 issuing the Law on Armed Forces Retirement, Insurance and Pensions.

Law 109 for 1975 issuing the Consumer Cooperation Law.

Law 110 for 1975 issuing the Production Cooperation Law.

Law 112 for 1975 regarding the social insurance system for manpower installations which are not subject to laws on pensions and social insurance.

Law 12 for 1976 establishing the Egypt Electricity Authority.

Law 13 for 1976 establishing the Nuclear Electricity Generating Plant Authority.

Law 14 for 1976 establishing the al-Qattarah Depression Project Construction Authority.

Law 20 for 1976 regarding the Egyptian General Petroleum Authority.

Law 27 for 1976 regarding the establishment of the Rural Electrification Authority.

Law 25 for 1976 issuing the law on labor unions.

Law 84 for 1976 establishing the Applied Arts /incoherent/ Union.

Law 115 for 1976 establishing the Nursing Occupation Union.

Law 118 for 1976 regarding the statute on Sufic orders.

Law 23 for 1977 decreeing certain customs exemptions.

Law 40 for 1977 on the statute on political parties.

Law 35 for 1978 regarding the establishment of unions and the Federation of Acting, Motion Picture and Musical Profession Unions.

Law 13 for 1979 regarding the establishment of the Radio and Television Federation.

Law 59 for 1979 regarding the establishment of new construction complexes.

Laws of the eighties:

Law 119 for 1980 establishing the National Investment Bank.

Law 122 for 1980 issuing the Agricultural Cooperation Law.

Law 152 for 1980 establishing the Egypt National Railway Authority.

Law 153 for 1980 establishing the National Telecommunications Authority.

Law 217 for 1980 regarding natural gas.

Law 14 for 1981 issuing the Housing Cooperation Law.

Law 143 for 1981 regarding desert lands.

Law 159 for 1981 issuing the law on corporations, limited stock partnership companies and limited liability companies.

Law 13 for 1982 regarding the National Postal Authority.

Law 13 for 1983 regarding the Federation of Medical Profession Unions.

Law 17 for 1983 issuing the law on the legal profession.

Presidential Decree 128 for 1957 exempting cooperative societies from certain taxes and levies and imposing a temporary exception to some provisions of the law on cooperative societies.

70 /sic/. Presidential Decree 2066 for 1966 exempting imported cement from customs taxes and other taxes and levies, including the consumption levy.

Presidential Decree 14 for 1967 decreeing certain customs exemptions.

Presidential Decree 369 for 1968 regarding certain customs exemptions and other taxes and levies for members of Arab forces acting in solidarity with the forces of the republic.

Presidential Decree 123 for 1969 exempting publications, office supplies, forms, samples and gifts which are not for sale brought in from headquarters of foreign airline and shipping companies and their branches abroad to their branches in the United Arab Republic from customs taxes and other taxes and levies on condition of reciprocal treatment.

Presidential Decree 163 for 1970 exempting the General Petroleum company from all Customs taxes, other taxes and duties, the customs tabulation levy, and the levy to support economic development projects on everything imported for petroleum exploration, production and transport activities in the form of machinery, accessories, materials, equipment, instruments and various types of means of transport.

Presidential Decree 449 for 1970 assigning the minister of the treasury to certain areas of competence.

Decree 1665 for 1974 exempting automobiles, motorcycles, machinery, equipment, and instruments imported to the account of the Office of the President from customs taxes and other taxes and levies.

Prime Minister's Decree 281 for 1974 exempting cotton spinning imported to the account of the Egyptian General Textile Organization and the economic units subordinate to it from customs taxes and other taxes and abrogating Republican Decree 1072 for 1969.

80 /sic/. Presidential Decree 263 for 1975 reducing the customs tax on imports on some imports.

Presidential Decree 29 for 1977 establishing the General Gin development Authority.

Prime Minister's Decree 674 for 1977.

83. Prime Minister's Decree 1070 for 1977 decreeing certain customs exemptions.

11887

CSO: 4504/560

BRIEFS

INMATES TESTED--The success ratio among prison inmates who applied to take the tests for the secondary school certificate was 100 percent. Sixty-nine inmates applied for the tests: 19 of them took the tests for the science section; 23 took the tests for the mathematics section; and 27, for the humanities section. Inmate Muhammad Fawzi 'Abd-al-Ghaffar earned a grade of 365.5 in the tests for the science section. The Prison Administration had provided the prisoners with cultural, humanitarian and social care and had also supplied them with books and notes that helped them study and master the subjects they had to study. It also provided them with time to study. Minister of Interior Hasan Abu Basha decided to issue financial rewards to inmates who had excelled in their studies and who had earned a certificate of general and industrial secondary education. All inmates who had applied to take the tests for a diploma from industrial secondary schools passed the tests in all specializations. [Text] [Cairo AL-AKHBAR in Arabic 1 Aug 83 p 1] 8592

CSO: 4504/556

ALLEGED CONSPIRACY AGAINST ARAB FOREIGN MINISTERS REPORTED

London AL-DUSTUR in Arabic No 299, 15 Aug 83 pp 16-18

[Article: "Al-Qadhdhafi Tried to Blow Up the Arab Foreign Ministers in the Hilton."]

[Text] Libyan government and official circles have been silent since June 1982 about the fate of the Libyan artist Muhammad al-Zawawi about whom art circles have been raising many questions. At the same time Libyan officials eager to prevent any information from leaking out on contacts with Tunisians are trying to obtain the release of al-Zawawi who, it later turned out, had been arrested in Tunis. Several months ago some Libyans passed on to a Paris weekly the news of al-Zawawi's arrest in Tunis in an attempt to pressure the Tunisian authorities to release him.

The Libyans' anxiety was in fact increased by the disclosure of the Zawawi case after Chadli Bendjedid's meeting with Hassan II last February and by the movement toward a relaxation in the relations between the various Arab countries of northwest Africa.

The reasons for this anxiety is that the situation in northwest Africa has been evolving in a direction displeasing to the Libyan regime. Before taking up all these interactions, we must answer the following questions: What is the Zawawi affair really all about and why was he arrested in Tunis?

Information reaching AL-DUSTUR from Arab circles in Tunis and Paris reveals that at the time when talks were under way and contacts were being made between the Arab countries on holding an urgent meeting of the Arab foreign ministers shortly after the Israeli invasion of Lebanon in June 1982. Col al-Qadhdhafi, perhaps influenced by the shock of the Israeli invasion or because he believed the Arab League was involved in the invasion, was thinking of how to respond to the invasion. He soon found a suitable way--with the following responses:

The first response was manifested when the Israeli forces were besieging Beirut and the Palestinian resistance, including the PLO leaders. Al-Qadhdhafi then issued his well-known statement advising the Palestinian

resistance to commit suicide. The second response was to undertake an operation that would "shake" the world. Al-Qadhdhafi assigned a group of his followers (which did not include al-Zawawi) to blow up the Hilton Hotel in Tunis where the Arab foreign ministers were to meet to discuss the Israeli invasion of Lebanon. The purpose, of course, was to kill the foreign ministers. The plan also required issuing a statement after the operation which, if successful, would be blamed on a Palestinian group that "wanted to reply in this fashion to Arab silence and weakness."

All preparations were in fact made and a group of four Libyan "intelligence agents" went to Tunis where they took up residence in the Libyan embassy. The Libyan consul was charged with supervising the activity of the group and coordinating its contacts. He found an easy way to carry out the operation without involving the group assigned to the task, a basic condition for attributing the operation to Palestinian-Lebanese circles. The solution was to use a Libyan artist then in Tunis as an intermediary between the group and the target. This individual was the Libyan cartoonist Muhammad al-Zawawi who had been in Tunis since May 1982 at the invitation of the Tunisian Ministry of Culture to arrange an exhibition of his works in the capital. He was staying at the Ibn Khaldun, a luxury hotel.

The Libyan Consul

From early June on the Libyan consul kept in touch with him, showing increasing interest in him, complying with all his requests, and solicitous about his comfort, as the principles of "guardianship" require. Al-Zawawi naturally went often to his country's consulate like any Libyan citizen abroad who has no problems with his government. Shortly before the scheduled meeting of the Arab foreign ministers in Tunis, the consul asked al-Zawawi to move to the Hilton, which he considered more elegant than the Ibn Khaldun Hotel. Although surprised, al-Zawawi did not refuse. After they went to the Hilton, the consul asked him again to hold a bag in his room, saying that it contained documents belonging to the Libyan delegation which was to attend the foreign ministers' meeting in the same hotel and that he should remain quiet about the documents, which it would be undesirable to keep in any (other) place. He asked al-Zawawi not to look at them or allow them to fall into the hands of someone else. Al-Zawawi was convinced by the justifications and had no doubts about the bag except at the last moment when he became aware that the consul was always pestering him about the bag and the need to watch it.

The Arab circles in Tunis that relayed this information to AL-DUSTUR say that Palestinian sources alerted the Tunisian authorities to information they had from Tripoli which indicated that al-Qadhdhafi's aides were preparing an operation to take place during the foreign ministers' meeting. The Tunisians thought it was no more than the familiar warning that is routine in such cases. Nevertheless, they

increased their surveillance over the Libyan elements and discovered the Libyan consul's unusual contacts with al-Zawawi, especially the latter's moving without good reason from the Ibn Khaldun Hotel to the Hilton. They, of course, checked the bag and found explosives in it. They also uncovered the details of the operation of which al-Zawawi was completely unaware. They did so one day before the meeting was held. Then they arrested al-Zawawi whom they regarded as one of the agents in the operation, but not the other members of the group who fled as soon as the consul learned from some sources that the Tunisian security authorities were suspicious of al-Zawawi.

The Libyan artist remained under arrest and investigation until the end of last month (July) when he was released and allowed to return to Libya after the joint Tunisian-Libyan committee met and after some developments in the Arab northwest Africa made al-Qadhdhafi willing to accept any proposals for quieting the situation on his western borders until the situation in Chad was resolved.

After the Invasion of Lebanon

It is worth noting here that the attempt at blowing up the Hilton Hotel during the Arab foreign ministers' meeting following the Israeli invasion of Lebanon came under circumstances that were favorable to and in harmony with Col al-Qadhdhafi's policies at the time. To begin with, it was pure luck that the threads of the operation unraveled before it occurred. Moreover, the meeting was postponed several times because of the absence of both Faruq al-Qaddumi, who was detained in Beirut, Lebanese Foreign Minister Fu'ad Butrus. Among the circumstances affecting Col al-Qadhdhafi was the fact that escalation of the Western Sahara issue was at a peak. Then too the matter of Chad, from which the Libyan forces withdrew at that time, had not yet developed to the point it subsequently reached. But what is most important of all, Palestinian sources related, is that Col al-Qadhdhafi had started the process of breaking the Palestinian ranks beginning with the preparations to blow up the Hilton in Tunis. It was just then that the Libyan authorities were beginning to inquire into the affairs of the Palestinians living in Libya. At the same time they arrested a number of Libyan officers who were objecting to al-Qadhdhafi's policy on the situation in Lebanon and on the Palestine issue. These officers who were executed last February included:

Col Maylud Rahib, head of mobilization in cities, and close to the Libyan military security official al-Khuwaylidi al-Hamidi, Col Najm al-Din Yaziji, Col Bilqasim al-Shahibi, Col Salih Abu Farwah, and 11 junior officers. The main charge against them was planning a military coup, but the fact is these officers--because of their relationship to military intelligence official al-Khuwaylidi al-Hamidi--expressed an opinion contrary to the colonel's policy on the Palestine issue. Perhaps they objected to Libyan forces participating in the dissident movement within Fatah, as was revealed later on.

Syrian Officers

Palestinian sources say that at the time of the arrests Col al-Qadhdhafi asked Hafiz al-Asad to send Syrian officers to lead some of the Libyan units that were subsequently ordered to join the rebellion against 'Arafat's leadership.

The threads of the attempt at blowing up the site of the meeting of the Arab foreign ministers in Tunis and throwing the blame on the Palestinians coincide with what later came to light on Col al-Qadhdhafi's efforts to end the role of the PLO politically and militarily. Also, they were the real goals and purpose of his statement during the Israeli siege of Beirut advising the Palestinian resistance to commit suicide. But when the Palestinians did not commit suicide and, in spite of everything, left Beirut with heads held high and when Abu 'Ammar refused to go to Damascus, the Libyan desire combined with the Syrian hatred to cut the throat of the Palestinian resistance. The clearest indication of that is the targeting of Abu al-Walid, leader of the Steadfastness Front, during the siege of Beirut. His killers thought that in doing so they killed the steadfastness of the resistance in Beirut. The assassins of al-Sartawi also thought they killed the diplomatic efforts of the PLO leadership.

5214

CSO: 4504/588

COMMERCE AND INDUSTRY MINISTER DESCRIBES VARIOUS DOMESTIC DEVELOPMENTS

Beirut AL-IQTISAD WA AL-A'MAL in Arabic No 51, Aug 83 pp 36, 37

[Interview with Azzedine Guessous, Minister of Commerce and Industry: "Why Shouldn't the Maghreb Be an Arab Common Market?"]

[Text] In an interview with AL-IQTISAD WAL-A'MAL, the Moroccan minister of commerce, industry and tourism, Azzedine Guessous, asserted that Morocco had carried out a number of laws providing a suitable investment climate for Arab capital. He expressed his satisfaction with the development of cooperation among the countries of the Maghreb and called for an economic merger which would follow the example of the European Common Market.

Here is the interview:

[Question] As regards attracting investments to Morocco, especially Western ones, what are the most conspicuous investment areas and the facts governing each?

Guessous: Morocco is a receptive investment area because it contains many economic, human and geographic elements. There is, first of all, the tourist area, which is experiencing accelerated growth, in spite of the repercussions of the international economic crisis and the tourist slump in the international area. The rate of occupancy of hotels last year came to 70 percent throughout the year, which seriously raises the need for new hotels and tourist organizations. This is happening at a time when we have finished setting out a tourist investment law, which is one of the best tourist investment laws in the world because it contains integrated customs, tax collecting and protection legislation. It also contains a large amount of facilities for the foreign investor, such as the permission to establish any type of tourist project, even if it is for sale, such as tourist residences.

The second investment field is the export of industrial and agricultural products, since Morocco's distinctive geographic situation gives Moroccan production great competitive power in the European markets and the markets of the Middle East, not to speak of other factors, such as the availability of cheap raw material, skilled manpower and advanced technical expertise.

In addition to that, there is an important element which will help all industrial projects concerned with exports succeed, since the government provides them with big protective measures, such as customs exemptions and facilities for raw materials and material and legal support through explicit agreements when they start exporting, in the event the project has the goal of exporting its production and the rate of domestic participation in the production process or the final value of the manufactured commodity is no less than 40 percent.

Arab Investments Are Oriented toward Arab Markets

[Question] It is observed that Morocco, while possessing many helpful factors, has not benefitted from the oil price bonanza and the accumulated financial surpluses in Arab countries, and that it has not contributed to the recycling of these surpluses. How do you explain this, and what possibilities are there for correcting this situation?

Guessous: There is no doubt that Morocco has not exploited the oil surpluses in the Arab countries well; that may perhaps be explained by our brothers' lack of knowledge of the resources available in Morocco for investing money in economically feasible projects which are guaranteed against any political risks, thanks to the atmosphere of stability.

Other factors, such as the high rate of interest on the dollar, constitute a strong factor attracting Arab capital; the interest has gone as high as 20 percent and the process of investing is easy. However, we have entered a new stage, which is distinguished by a drop in international interest rates and an increase in economic risks for financial investments because of the aggravated recession crisis and doubts about financial conditions, which are prompting Arab investors to think seriously about moving part of their money onto the Arab market, to benefit from the atmosphere of relative political stability in most Arab countries, especially those possessing suitable investment opportunities, and to benefit from these countries' tendency to take measures that will guarantee that a proper investment climate is created, such as the passing of laws regulating investment, as has happened in Morocco, and encouragement of the domestic private sector to participate with Arab capital in new projects, to encourage joint Arab activity.

In this context, joint banks and institutions and investment companies have been created, as has happened among Morocco, the emirates, Saudi Arabia and Kuwait, in addition to the economic delegations that are visiting Morocco to ascertain the opportunities and laws that govern investment activity.

An Advanced Industrial Base

These steps will guarantee that joint activities are promoted, especially since the joint organizations are anxious to play the role of the connecting link between the local market and the Arab investor, by offering readymade studies on new projects or participation in existing ones. This is a matter of the utmost importance, because, when they think of entering new markets, businessmen prefer to find ready projects before them, in terms of feasibility studies and the presence of local businessmen or organizations that are

prepared to participate. In addition, this will alleviate many of the burdens on us, as a public sector, considering that Morocco is a developing country and does not have the power to carry out accurate studies on many projects for presentation to foreign or Arab investors.

Morocco, in the past 20 years, has managed to build a strong economy though it is poor in energy. We have created an advanced industrial base which includes chemical, petrochemical, electronic, textile and food processing sectors, to the point where Morocco has become a substantial exporter. In spite of war and drought, we have realized a reasonable rate of growth, which has reached 6.5 percent a year, and we expect that that will range from 4.5 to 5 percent next year, having dropped to 3 percent in previous years because of the drought.

However, we have reached a point today that we cannot go beyond without foreign help, or, more accurately, a flow of Arab investments into development projects. Here the benefit will be not just for Morocco, but for the investor is well. Current experience has proved this, since it is observed that European investments are still flowing into Morocco at a high rate, prompted by the assured feasibility of all projects. Their proportion comes to about 70 percent of the total investments, and these originate from major international companies, such as Thompson, Renault, Peugeot, General Tire, General Motors, Bayer, Volkswagen and so forth.

The Oil Bill

[Question] The oil bill has been considered a heavy burden for the economy of developing countries. What are the effects of oil imports on the Moroccan economy, and what is the truth about the oil discoveries in your country?

Guessous: The price of oil imports constitutes the main burden on the Moroccan balance of trade, since it represents 25 percent of the total value of our imports, which come to \$82 billion [sic]. If we could dispense with the oil bill, Moroccan exports would be able to cover 95 percent of the value of our imports. It is unfortunate that the drop in oil prices has not had a positive effect on the developing countries, since it has occurred at the same time as the continued high price of the dollar, the currency in which oil is priced. Regarding oil discoveries in Morocco, exploration activities have proved the existence of some oil reserves which might cover just a minor portion of our requirements. That they will turn us into an oil country is just a hope.

Relations with the European Market

[Question] How do you evaluate the entry of Spain and Portugal into the European market and your relationship with this market in general, especially as far as the conditions of Moroccan workers in it go?

Guessous: The entry of these two countries into the market will have the utmost effect on our agricultural products, since Spain is to be considered a serious competitor of Morocco's, in view of the similarity of climatic conditions and the quality of Spanish agricultural production.

BANKS FEAR LIQUIDITY SHORTAGE MAY REACH 1520 BILLION

Tel Aviv MA'ARIV in Hebrew 26 Aug 83 p 3

[Article by David Lipkin and Yitzhaq Dish: "Great Fear Among Banks Over Record Liquidity Shortages"]

[Text] The banks are worried that liquidity shortages may reach a record 15.2 billion shekels by the end of the month, despite efforts to decrease the source of the problem is reduced government payments to suppliers and contractors, as the government is trying to print less money.

The shortages continue to rise despite increased loans from the Bank of Israel amounting to 5.5 billion shekels. The banks anticipated a reduction in liquidity as a result of the government's payments to suppliers and contractors. However, payments were held up by the accountant-general. The delayed payment of demands for loans from various sectors and the banks could not meet all the demands. Moreover, the banks must maintain their investments in the market. Even increased acquisitions of foreign currency would only exacerbate the shortage.

Large liquidity shortages were related to the payment of heavy penalties by the Bank of Israel, penalties which are not recognized for income tax purposes. These penalties seriously effect the bank's profits. Now the banks are demanding for far-reaching reductions in penalty, even complete pardons.

The banks do not anticipate that increased bank interest on loans will curb public demand at this point. Usually, during the Jewish holidays, there is a seasonal increase in loan requests.

The Bank of Israel is reducing, starting today, the liquidity rates that have been set on deposits in Israeli currency in the banks. This will bring about a 3.6 billion shekel reduction in the banks' deficits and will allow the banks to increase the interest they pay to depositors on short-term deposits and on savings certificates.

Yesterday, the Bank of Israel's advisory committee, headed by MK Avraham Shapira, decided to reduce liquidity rates on deposits as follows: From 23 to 19.5 percent on regular deposits; from 23 to 19 percent on 2-week to 1-month accounts; from 18 to 14 percent on 1 to 2-month accounts; from 15 to 11 percent on 2 to 6-month accounts; and on accounts where the depositors' money is committed for greater than 6 months, from 10 to 7 percent. The liquidity rates on savings certificates were reduced from 20 to 17 percent.

9811

CSO: 4423/178

49

GOVERNMENT CALLED WASTEFUL, INEFFICIENT

Tel Aviv YEDI'OT AHARONOT in Hebrew 13 Sep 33 (Supplement--"Finance")

[Article by Avraham Dishon: "Waste, Inefficiency and Duplication in C Ministries"]

[Text] The chief of staff for efficiency in the public sector, Engineer Duri'el, recently tendered his resignation after no one in the government would take his recommendations seriously. Government ministers fought tooth and nail against any budget cut in their ministries on the argument that it would be cutting "flesh and blood."

A depressing picture of waste, duplication and unwillingness to improve efficiency has surfaced in an internal document prepared recently to summarize last year's activities of the staff for efficiency in the public sector, attached to the office of economics and interministerial coordination. The document includes detailed proposals for efficiency and savings in government ministries and public institutions totaling hundreds of millions of shekels, but the authors of the document admit that the chances of implementing these recommendations under existing conditions are very slim. The chief of staff, Eng Yosef Duri'el, came to that conclusion and tendered his resignation because no one in the government took his recommendations seriously.

The suggestions for improving efficiency in the public sector include cuts in government ministries including those ministries such as education and health whose heads insisted that any cut in their budgets would be cutting "flesh and blood." It now turns out that they have heavy layers of fat, the trimming of which would save the economy hundreds of millions of shekels without harming their services to the public in the least.

Among the suggestions for efficiency, savings and improvement put forward to the government ministries by the efficiency experts--and left unimplemented--are those for unifying the collection of national insurance, income tax and a parallel tax, which would save hundreds of employees, buildings and collection facilities; a change in the system of payment to reservists that would save many reserve days, bureaucracy and manpower; an improvement in the system of collecting hospital debts which would increase income by billions of shekels; a change in the system of school vacations which would save many days and superfluous payments; university efficiency; implementation of daylight savings time; change in starting working hours to ease the transportation logjam at rush hour, etc.

Superfluous Officials

Here are a few examples of savings and efficiency as suggested by

Unifying the collection of taxes: Employers, employees and the se today pay on the same income, income tax, added value tax and nati ance. But instead of one body collecting the three kinds of tax, today three separate systems of collection and enforcement. All e experts who have considered the matter in recent years have unanim mended unifying the three tax systems.

Reservist callups: The staff for efficiency in the public sector w proposal whereby reservist salaries would be paid directly by the Defense and the IDF and not by the national insurance as is done t recommendation comes on the heels of similar recommendations by th auditor and by the Knesset auditing committee.

Direct payment to reservists from the Defense Ministry budget woul a significant saving in the callup of reservists since today super ups are made without taking into consideration the cost to national

This system would also save a not inconsiderable mass of bureaucra in the deliberations between employers and national insurance.

It is estimated that in this area alone tens of millions of shekel saved annually--without affecting IDF strength.

Crying "Wolf"

The Ministry of Health: A comprehensive check carried out by the visory branch in the Ministry of the Economy revealed that the Min Health, which complains about cuts in its budgets, is getting bill shekels. It turns out that bill collection practices for governme by public and private bodies, are defective, and there are groups v reaping significant profits from that fact. These conclusions wer to Health Minister Eliezer Shostaq, and an effort is now being mad the accounting and collection system.

The Ministry of Education: Despite the "cries of wolf" about seri the educational level by education experts, it turns out that here cant sums can be saved. The staff for efficiency in the public se a detailed program for shortening the course of studies in the hig without affecting the level of studies, but rather by a certain ch vacation system. The initial suggestion was made by two high schoo from the Noshav En Wered, and after it was carefully examined it w that there was a real saving.

But not just that, in the universities, too, it is possible to sav was said in the staff document that "specific actions for administ ciency in the university were worked out, including the possibilit ing the work week without affecting overall function. Agreement w

from the University of Haifa to serve as a model for the suggested but the project was held up because of a lack of funds in the staff cy."

Overall Economic Saving: Despite repeated declarations that a pol restraint and saving must be adopted, it seems that that does not striking example of that is in the nonimplementation of Daylight S which is supposed to save between \$20 and 300 million in imported and to significantly increase the output of the industrial sector.

It has often been suggested that rush hours in the cities be regul order to facilitate continuous activity without additional basic i The intention is to open factories, schools, institutes and commer lishments at different hours scattered over the 3-hour period from 9:00 am. Only recently has the municipality of Tel Aviv agreed to principles of the detailed proposal along these lines, and it appe Aviv will serve as the first model for its implementation.

9794

CSO: 4423/3

RAFIQ HALABY INTERVIEWED ON ISRAELI DRUZE

Jerusalem THE JERUSALEM POST in English 27 Sep 83 p 13

[Rafik Halaby, Deputy News Director at Television House, in
with Roberta Elliott; date and place not given]

[Text]

Certainly one of the most visible members of Israel's Druze community is journalist Rafik Halaby. After 11 years as Israel TV's West Bank correspondent, today Halaby is deputy news director at Television House. He has published one book - The West Bank Story - and is currently at work on a second: about the Druze. This week he discussed the effects of the war in Lebanon, and the current Christian-Druze fighting in the Shouf Mountains, on Israel's Druze population with Newsview's reporter Roberta Elliott.

Newsview: Do you think the Druze alliance with the Syrians and the PLO is splitting Druze loyalties between the State of Israel and their brethren in Lebanon?

Halaby: I think it confuses them more than anything. If you ask me, it's going to make more problems for Israel than for the Druze themselves, because of the relations between Jumblatt and the Syrians. Now, there is probably a little more sympathy among Druze leaders here for the Syrians. We're in the midst of a process. We will have to wait and see what happens.

Newsview: Is this the beginning of a major change in attitude among the Druze?

Halaby: I think that change began with the annexation of the Golan Heights. The situation in Lebanon only encouraged it, and made it move faster.

Newsview: Is there a possibility that the Druze will form a movement, that they too will have their own state?

Halaby: Last week I heard of Druze in Daliyat-al-Carmel talking about Dola Druzia, the Druze state in Lebanon 300 years ago. Others talking about establishing a similar Druze canton in Lebanon. Jumblatt succeeds in becoming president, or even prime minister, then he will be one of the most influential figures in Lebanon. The Druze cannot have a state within a state, so they at least need this. It's not enough for them to get a state. They don't need a nationalistic movement, nor am I sure that there will be a Druze nationalistic movement.

Newsview: If the Druze succeed in establishing a Druze canton in Lebanon, will Israeli Druze leave the canton to go there?

Halaby: No, of course not. **Newsview:** Will they then have a similar arrangement here?

Halaby: Also of course not.

Newsview: Do you know if any Druze materiel are being smuggled across the border to the Lebanese Druze?

Halaby: You're not going to lose your life, right? That's my answer.

Newsview: *Could the fighting that is endemic between the Christians and Druze in the Shouf spread to other parts of Israel, as it seems to have spread to Usfiya this week?*

Halaby: I was in Usfiya last week, and I'm not sure it's going to spread. Also, it is nothing new. Two-and-a-half years ago, the same thing happened between Julis and Kfar Yasif, when Druze youth from Julis threw bombs at Christians in Kfar Yasif. This type of strife that is in Lebanon cannot be transferred to Israel, because another type of government exists here. In Lebanon there are two equal groups, neither with clear-cut power or strength. If you ask me if such strife exists between communities in Israel, well, I have to say yes. But we have not only not learned the lessons from Lebanon in the case of Druze and Christians — Israel also hasn't learned the real lesson of Lebanon, which is relations between Arabs and Jews.

Newsview: *What is that lesson?*

Halaby: I mean that if there will be 2.5 million Arabs and 3.5 million Jews in one state — and who knows what the demography will be in another four or five years — you can't keep the peace only through military power. And, if you keep it that way, you'll get the same reaction as in the Shouf (where the Druze are underrepresented in the Lebanese government).

Newsview: *What can the government do to win back the confidence of Israeli Druze?*

Halaby: I can't ask from this country more than it can give. It has given the maximum that it can (in Lebanon). But I'm sorry about the way it has dealt with the Druze, because I think Israel could have done much more with the Druze, but now they've lost the opportunity.

Newsview: *Is it too late?*

Halaby: It seems to me "a quarter to twelve".

right now, to declare Druze in Israel are equal in every respect. And, no, so, but to also act accordingly.

Newsview: *In what way are they not equal by law to Israel?*

Halaby: If I were a politician, I'd just show me one case where the Druze are equal to Jews in their duties. Druze are like Arabs in municipal budgets for Druze towns, those for Jewish towns. Druze budgets are not comparable to the condition of Druze villages, you will see the discrimination.

My father would say that we are better off that we are better off. I'm talking about the Druze soldiers in the army — to be equal in every respect. When they come to fight. When they come to where they are treated differently. They see that they are a little bit different and they are not treated like Jews.

Newsview: *On the other hand, those who served in the army, they get the same social benefits as those who are not serving in the army, such as education and mortgage.*

Halaby: Benefits! That's not the point. Those who don't serve in the army in those three years we can go get an education. In Julis and Kfar Yasif. Yes, 400 recent graduates (in Kfar Yasif), compared to 10 to 15 Druze in the army. There may be benefits, but it's a double-edged sword.

RUMBLINGS WITHIN NATIONAL RELIGIOUS PARTY DISCUSSED

Tel Aviv YOMAN HASHAVU'A in Hebrew No 72, 2 Sep 83 p 21

[Article: "Is the NRP Falling Apart? Defection of TAMI a Strengthened Dr Brug's Lamifne Faction at the Expense of t Headed by Hammer; Forthcoming Development in the Party; De Me'ir to Be Appointed Israel Ambassador to the UN and Will tics, and Secretary General Vermus Will Go As Emissary to

[Text] Former Chief Rabbi Shlomo Goren does not spare his National Religious Party. He claims its ministers have co in order to depose him. "The NRP has touched bottom, one ous Jewry from it; I will do every thing I can to destroy Rabbi Goren.

But it appears that the party activists are doing Goren's own intervention. During the past 2 years Abuhatzira and and formed TAMI, and Rabbi Druckman formed MATZAD; the Lik of Yitzhaq Refa'el was disbanded and now the "Young Guard" and Ben-Me'ir is falling apart.

The preparations inside the NRP for the municipal election against a backdrop of sensational disclosures about rifts troversies. But the events behind the scenes in this part teresting politically, especially now that Begin has annou to resign.

It is no secret that the rift between the two large factio Lamifne, headed by Dr Yosef Burg and Hapo'el Hamizrahi's S Refael Ben-Natan, and the Renewal Movement of the "Young C Minister Zevulun Hammer and Knesset Member Dr Yehuda Ben-M the party in its campaign for the municipal elections. So to present separate lists in no less than 10 localities, o of the party in that locality and another by members who a at that office, despite the apparent agreement between the the resolutions of the elections headquarters which receiv by the party leadership. The reason: the elections headq clude strong groups in the party, such as the women's fact

Association and the faction of Yitzhaq Refa'el, Likud U has lost its remaining power in the central institutions as the small secretariat and the treasury following the Fischler, one of the central figures in the Tel Aviv off

The postponement of the internal elections in the NRP ha the new involvement of Refa'el and former Knesset Member tried unsuccessfully to return to the political arena. are now unchallenged in conducting the affairs of the sh ally since the forming of the MATZAD movement headed by member of the Jewish Agency board of directors, and Knes Druckman.

Lamifne in the meantime has taken control of the operati Utemura faction, such as the provident fund of the part effectiveness of the municipal division headed by Aharon Asher Lizmi, who remained in the NRP and did not join TA

Lizmi, who has worked for the party center for 30 years, sation and dismissed by mutual agreement of the two larg it a proper way to get rid of him and remove the residua crumbling faction. Other members of Likud Utemura, suc division head Shalom Malka, joined Lamifne.

The increasing influence of Lamifne at the Kastel House, headquarters, caused a reduction in the influence of the institutions which run the NRP. Only two actual divisio of this faction--the cultural division and the youth div in their activities because of budget cuts.

All funding sources of the NRP are now controlled by Raf ple: the tax division, the treasury and the majority in iat, which controls all organizational and fiscal matter neutralizing the young faction.

Hammer's representative at the Kastel House, Dani'el Ver tary general of the party, has not been able to challeng ing elected to that office, and the defection of Rabbi D further weakened the young faction, which was backed by alist flank of the party. Lamifne increased its control public through the Ministry of Religions and the religio new composition, almost totally under the control of Lam

Dr Burg's majori y faction, including Knesset Member Ava ing strength and is not afraid to take on the young. Re some surprising steps which may put Minister Hammer in a in the forthcoming elections to the Knesset.

Talks have taken place behind closed doors to persuade M join the party in return for far-reaching concessions. Knesset Member Melamed and Yoske Shapiro, the MATZAD sec offered the job of NRP secretary general.

his faction
ty, such
of Yitzhaq

an end to
s, who had
or factions
ty, espec-
ro, former
Rabbi Hayim

Likud
g out the
h's friend,

high compen-
who deemed
of the
zation

center
rd" in the
n the hands
limited

tan's peo-
secretar-
ost totally

the secre-
since be-
ATZAD has
ing nation-
igious
in their

, is gain-
as taken
position

rs to re-
g between
ral was

It is no secret that Danny Vermus wants to quit his job as emissary of the party. His friend in the "Young Guard" is Shefer, who is a member of the Jewish Agency board of directors. Vermus a position in the U.S. as representative of the party office, and he may go there after the municipal elections.

Some of the young leaders regarded this as an opportunity for the party, at least on the personal level, and to promote Po'el Hamizrahi's Secretary Refa'el Ben-Natan also stated that jobs can be merged and an agreed upon personality be put in the offices. Among the names brought up were Matityahu Aharoni, general of Bar-Ilan University and Israel's ambassador to the U.S. back in Israel, as well as Moskowitz, former chairman of the Knesset council, now a senior official of the Interior Ministry.

Lamifne has so far rejected the proposal and instead is working for establishing a new national religious camp before the Knesset, with Knesset Member Hanan Porat of the Tamiya group, who are now jeopardizing the NRP's chances in the election. The condition given by them is "without the young leaders' consent" for their taste, politically speaking. Lamifne people are in a difficult condition, since they fear another rift in the NRP and its future.

One senses perplexity in the "Young Guard" leadership. They feel that they are willing to take Vermus's job, since the Kastele is a "political snake pit." At least one of the old leaders, Deputy Foreign Minister Dr Yehuda Ben-Me'ir, is preparing for the possibility of not being reelected to the Knesset. It is reported that he is trying to talk Foreign Minister Shamir into considering him as Israel's ambassador to the UN in a few months.

At a certain point Ben-Me'ir had also examined the possibility of becoming Israel's ambassador to the U.S., before the appointment of Dr. Blum, but he seems to have a better chance for the job at the moment. The ambassador, Dr Yehuda Blum, has now completed his 5th year and will have to retire soon. Ben-Me'ir considers it a good thing for his personal status and for using his skills and political experience.

At the same time, Minister Hammer is becoming popular among the young people close to him. He is very successful as a teacher and is highly regarded by both teachers and parents.

The crucial question facing the "Young Guard" and the future of the party is the status of Hammer will be determined in the future. Will he be able to help it consolidate as a national religious party that is in a declining position, or will the existing leadership continue to fight which have cost the party dearly.

The answers to these questions depend in no small measure on whether will Abuhatzira's party remain united under his leadership.

broad as
p, Eli'ezer
has offered
eration

e peace in
Burg that
that the two
to the two
r director
rland, now
fir regional

ed negotiations
lections to
he MATZAD peo-
tions. The
too moderate
ree to this
nal war.

. None of
considered
s faction,
e eventuality
Me'ir is now
idacy for

f becoming
'ir Rosenne,
present am-
office and
n for his
e.

voters, accord-
education,

is whether
to his factional
the party and
pture its
he internal

future of TAMI--
11 TAMI crumble

and its leaders join other parties. Aharon Uzan may p
party--Labor, and Abuhtzira, who has remained popular
will renew his old agreement with Hammer.

The Lamifne people argue that in some development town
made a pact with the "Young Guard" and are planning to
for the new municipal elections. This means they may
Knesset elections, if Hammer and his friends find them
neutralized inside the NRP.

The present feeling among the NRP leaders at this time
open. Yet the present leader, Minister Burg, argues o
his lifetime there will be no more rifts. There is no
that at the last minute all of them may jump on a new
for the greater Land of Israel which will unite all the
present government coalition. But the key to this is
Lijud.

In this respect the future of the NRP and its electoral
to the test in the last Knesset elections, will also o
of the Likud and its leader in the next elections.

During the political developments of recent days--the
the NRP turned out to be a preventive factor in calling
at this time, affirming its support of a continuing L
without the leadership of Begin.

9565

CSO: 4423/5

his traditional
supporters,

people have
common list
e in the next
lated and

all options are
lly that in
, furthermore,
of the front
forces in the
ds of the

hich was put
he character

n of Begin--
y elections
ment, even

MECHANICAL WASTE PURIFICATION PLANT ALMOST COMPLETE

Tel Aviv MA'ARIV in Hebrew 26 Aug 83 (Supplement--

[Article by Aharon Pri'el: "The Waste We Drink"]

[Text] Sixty million dollars have been invested in development facilities: A mechanical plant for waste completion in about another year, will solve a problem in the ecology, sanitation and agriculture in Israel. The plant will pump 80 million cubic centimeters of water a year to the demand in the agricultural sector.

Fifty-three kilometers of collection and transfer line opens, pump 80 cubic meters--120 by the end of the year. From cities and towns throughout Gush Dan and the surrounding area, the collection and purification system comprised of pipes will have taken 40,000 cubic meters of cement to build.

In the Rishon Lezion area, from the easternmost to the westernmost, an area of 500 dunams, the waste purification plant will use a tested biological process, already operating throughout the world, which eliminates bad odors. The plant is a condition in Israel and is the result of a 4-year study. The plant set up near the Reading Station in Tel Aviv, was approved by the municipal committee for quality environment and set up by Deputy Mayor of Tel Aviv Yitzhaq Kaspi.

The construction of a waste purification plant in Rishon Lezion, especially the first plant which still uses a purification process with oxygenation basins, was accompanied by widespread protests to 1971: mock "funeral processions," demonstrations, residents forcibly entering the site of the oxygenation basins. Activities were organized by the man who today serves as Deputy Mayor of Lezion, advocate Hananya Gibstein.

The movement to preserve the ecology and the environment in the 1960's. The first phases of the oxygenation process, strong odors which have affected the health of local residents to a degree.

Gush Dan") pp 6-7

Israel's largest de-
on, which upon
blems related to
contribute" 120
. 10 percent of

when the opera-
ry--of waste water
he country, to a
ks which thus far

western coast, over
completed. It
ny big cities
en adapted to
in a pioneer
chairman of the
1 in Gush Dan,

Lezion area, espe-
involving open
ests from 1968
ocks, masses of
s. These protest
mayor of Rishon

not fully developed
e accompanied by
s to an alarming

The Residents Forced the Hand of the Networks

The residents' tribulations provided an excellent opportunity for various networks involved--such as the Ministry of Health--to establish reliable and efficient sewage treatment units, to make use of purification methods which would solve environmental problems, and to examine other waste problems.

The oxygenation plant, since 1973, has collected around 100,000 cubic meters of waste a year from southern Tel Aviv, Yaffo, and Ramat Gan. After purifying the raw waste, the water is infused into the aquifer, enriches the underground water system. Later, the water is used for agricultural use. Of the 20 million cubic meters of raw waste a year to the oxygenation basins, 15 million cubic meters have been "recycled" for agricultural use. The oxygenation plant covers an area of 1,200 dunams, and after it became clear that more land would be required in the future, as much as 5,000 dunams, to handle the quantities of waste from Gush Dan by the year 2000, the city decided to establish a mechanical purification plant which requires far less land and which, if needed, could be expanded by adding to the plant using a modular system.

Yitzhaq Kaspi, chairman of the aforementioned committee examined the desirability of different types of waste treatment. We had to consider not only the well-being of the municipality but also the state. It was therefore decided that the plant should have two purposes--the removal of waste to prevent the flow of waste water into the Rishon Lezion area; and later, the purification of Tel Aviv's beaches; and later, the purification of the water for its use by the national water authority."

The Gush Dan Municipal Committee was established in 1973 to coordinate local networks: Tel Aviv, Ramat Gan, Hulon, Bat Yam, and Bene Beraq. For purposes of waste removal, a two-stage system was constructed and completed in 1980: a northern branch with Petah Tiqva, Bene Beraq, Ramat Gan, Giv'atayim, Tel Aviv, and Hulon, and dumps it into the sea near Tel Aviv's Rishon Lezion area, and a southern branch which transfers waste from southern Tel Aviv, Yaffo, and Ramat Gan to the oxygenation basins in the Rishon Lezion area. Fully 90% of the waste flow through the collection system and pumping station operates of the year without a break.

To build a mechanical waste purification plant for Gush Dan, a special administration was set up, including a project manager, the Gush Dan committee engineer Gid'on Zatz and experienced engineers, environmental control and administration. The Gush Dan Society, which set up a special planning group to handle the project, is responsible for planning the mechanical plant.

Gid'on Zatz explains that a mechanical purification plant uses bacteria found in waste which break down organic matter. The oxygenation basin systems use algae which develop within the waste.

or forcing the
and the Minis-
and control
e health and
s systems.

ion cubic
nd Rishon Lezion.
where it en-
d out for agri-
arrives each
ped back out,
asins cover an
land would be
future estimated
ded in 1974 to
lative terms,
a was to build

"When the com-
rification plants,
area, but also
to serve two pur-
he sea and pollu-
waste to allow

cludes seven
a, Giv'atayim
em was con-
ts waste from
lon's industrial
; and a southern
Bat Yam to the
bic meters of
aily, every day

special project
r Avraham Zakai,
field of engi-
Water Planning
object only, is

s advantage of
xygenation

Bacterial Control in Mechanical Purification

"The methods used to control the population of
fication system are better than those used in
tion process. In the mechanical purification
stimulate the bacteria is introduced to the wa
population of bacteria multiplies and "kills o
waste," says Zatz.

Using the mechanical purification system, the
treatment containers where "floating objects,"
plastic bags or bones, are removed from the ra
heavy objects such as sand and rocks sink to t
rise to the top where they can be skimmed off.

In the second stage, the raw waste enters conc
capacity of 55 million cubic meters. Each aer
double fans, designed to "push" air into the w
the units. After 14 hours, the waste is trans
tainers, each with a capacity of around 7,500
ers, bacterial bodies are separated from the w
The water remains in the submersion containers
waste remains in the purification unit--from t
is emptied out of the submersion tanks--for ab
period of 30 days required using the oxygenati
the waste enters the basins until it is forced

Engineer Zatz explains that the submersion con
bridges to which are attached rotating trowels
floor of the tank to the center. From there t
for one of two purposes: It reenters the puri
waste, as a source of bacteria to aid in the b
is piped out to sea at a distance of 5 kilomet
40 meters, where it serves as food for fish.

Yitzhak Kaspi promises: "With the opening of
beaches of Tel Aviv will be clean."

Uncontrolled Use of Poisons

Today, there are still 160,000 cubic meters of
sea near Tel Barukh every day. Of this amount
Dan (except southern Tel Aviv, Hulon and Bat Y
industrial waste, part of which is poisonous--
antibiotic substances which are supposed to be
"These industries," explains Kaspi, "are suppo
units to prevent the flow of poisonous substan
the sea. The poisons are collected in special
the facilities, but there is no control or sup
dispose of the containers. The national dumpin
Ramat Aviv, has been shut down. So, for lack o

REPORTAGE ON EDUCATIONAL REFORM EFFORTS

Parents Accept Junior

Jerusalem THE JERUSALEM POST in English 2 Oct

[Article by Yitzhak Oked and Leah Levavi]

[Text] Rishon Lezion--Parents in this town w
reform voted last night by an overwhelming ma
to the new junior high schools. This followe
Zevulun Hammer's announcement in Jerusalem on
measure would go through the Rishon Lezion.

Schools in the town have been closed for the
objected to sending their children to the jun
established to promote integration between ch
and ethnic backgrounds.

The parents said that their decision last nig
children to the new schools is conditional on
promises regarding implementation of reform.
committee with representatives of the parents
reform in Rishon (see Hammer press conference

A minority of parents opposed the majority de
they would not send their children to the jun
what happened.

The Rishon Lezion municipality welcomed the d
said that everything is ready to implement th

Mayor Hanania Gibstein, who had taken a firm
reform since the start, earlier told the Jeru
extended the registration dates so that those
registered yet to the junior high school coul

Principals and teachers of schools who till n
allowing seventh-and eight-graders to study i
minister that they would abide by his decisio

The reform calls on all seventh- and eighth-grade children studying in religious schools, to study in junior high schools erected for this purpose. Gibstein has been asked to head the Education that starting this morning teams of inspectors will visit the schools and check all the classes. Because the Ministry no longer sees a need to post guards before any school in town.

The Histadrut Teachers Union, which has also opposed the reform, will apparently give up the fight. The union is working today to work out a more complete response to the Ministry. In principle they will accept it. The union will discuss the Ministry as to what is to be done in those cases where the seventh-grade children to the elementary schools.

Need for Integration Stressed

Jerusalem THE JERUSALEM POST in English 2 Oct 1957

[Article by Charles Hoffman]

[Text]

Stressing that school integration is essential to the future health of Israeli society, Education Minister Zevulun Hammer said at a press conference in Jerusalem on Friday that the only way to achieve integration in Rishon Lezion is through setting up junior high schools.

In a strongly worded statement in support of integration, Hammer said that it must be implemented throughout Israel "to further understanding between rich and poor, between those in the city centres and those on the periphery, between Sephardim and Ashkenazim. This requires breaking down social barriers in education. Even if this meeting through learning together sometimes fails, or doesn't yield a clear-cut success, we must stick with integration in the hope that it will eventually succeed."

Distinguishing, however, between the creation of junior high schools through the "reform" and the broader goal of integration, he allowed that the latter could be achieved in different ways. Other localities might be able to achieve integration at younger ages or through a different school structure.

He said that when the reform is implemented in other areas, a

except those
schools specially
the Ministry of
officials will attend
Gibstein said, he
grammar schools in

ementation of the
dership was to meet
r's decision, but
structions from the
rents send their

achers and ad-
e set up to plan
uss alternatives
mework, if this
the needs and
e locality. But
junior high is
r achieving in-

the press con-
try Director-
nueli, a strong
ation through
amework, and
iriam Glaser-
the recent dis-
r reservations
e said that now
as been made,

n for Rishon
mplementation
plan, starting
nt of a steering
minister to
ntation; work-
s to improve
ndary educa-
n.

n all parties to
ot his decision
n a restrained
ounds opened

HEALTH CARE REORGANIZATION PLANNED

Jerusalem THE JERUSALEM POST in English 27

[Article by Margery Greenfeld]

[Text]

The Health Ministry yesterday unveiled a plan for a major reorganization of the health-care system, calling for the establishment of an independent hospital authority that would be responsible for operating the government's 32 hospitals.

Such an authority would both improve the quality of medical service and free the ministry to concentrate on its primary functions of formulating policy, allocating resources, coordinating activities and monitoring performance, said Oren Tokatly, the head of the ministry's special staff for the establishment of a hospital authority.

"With health costs soaring, resources shrinking and the public demanding more and better medical services, the creation of a separate hospital authority is not only worthwhile and desirable, but absolutely vital," Tokatly told *The Jerusalem Post* yesterday.

As envisioned in the report released yesterday, the hospital authority would be an independent statutory body, along the lines of the the Airport Authority and the new telephone company. Setting up such an authority requires the approval of the cabinet and the passage of legislation by the Knesset.

Getting such a bill passed is "our next project," said Tokatly, an economist specializing in the field of health.

The proposed authority would operate the government's 32

general hospitals, 12 hospitals and eight facilities comprising well as general and patient clinics, and the elderly. In the authority would not of mother and child

the authority include Talit's eight hospitals or other public and institutions like are Zedek and As account for another

whether including governmental hospitals a long way towards wasteful duplication of ly replied that an all- ority was indeed the most desirable — goal. certainly welcome y participation by or the other hospitals, s a bit utopian to ex- e soon. Meanwhile, will not threaten the of the other systems, this will eliminate position," he said. ssing just the govern- n, the proposed d be responsible for the country's hospital me 17,000 medical, and administrative

uch a large and com- n is a job in itself and

those who do it should be totally separated from those who are charged with making and implementing policy, planning and developing and allocating resources," Tokatly said.

Separating the operational from the ministerial functions will eliminate the "questionable practice" of having medical service evaluated and supervised by the same people who provide it and thus reduce the "conflicts of interests" that sometimes arise from such overlapping, he said.

This would be in addition to the advantages of streamlining procedures, centralizing purchasing and distribution and generally increasing efficiency and cutting costs, Tokatly pointed out.

CSO: 4400/22

a hospital authority
approval of Health
Shostak when it
in rough form three
committee headed by
al director Prof.
ii.

ector-general Prof.
said yesterday that a
ity could help to
age of manpower
the government

ent authority would
vote more time to
nning and policy-
of spending a good
simply 'putting out
an said.

JOURNALISTIC PRACTICES INVOLVING 'ANONYMOUS'

Tel Aviv HA'ARETZ in Hebrew 13 Sep 83 p 1

[Article by Moshe Aridor: "Life and Death"]

[Text] The designation of the press in the past is no longer sufficient in our days and must be replaced by something that is equivalent in power to the two or three political arenas. If we add to the press the television, we could say that life and death are in the hands of the press. It might be said about the reporter's responsibility that leaves his pen is no exaggeration. The possibility of the reporter to supply the public with information requires the unwritten rule that the reporter's right can only be justified when it is based on accuracy, decency and reliability, for if there are no such standards, using this very broad prerogative, it will lead to aggrandizement and as an instrument of world domination.

These are not abstract matters, and the information constitutes a not insignificant portion of the information presented to the public. An example of this is the information which cannot but arouse wonder and doubts among the public who published the anonymous pronouncement "gloom which has settled over Begin and his government's function." This is a perfect example of the use of information goals simultaneously without any risk on the part of the piece and without any need to bear responsibility for the information. In writing a piece like this, the reporter, ministers serving in the government when the information is to be suspected of the pronouncement and the reporter said it at all, with the reader trying to judge the information in accordance with whatever indications and information are available. The expression "senior minister" does not mean identification, but, rather, places under suspicion the ministers whom the term might fit. The very use of the term is seriously defective ethically even when it is known that the source really is a "senior minister."

S DEPLORED

ands of the Press"]

the "seventh power" is no "superpower" since the press is not in the international arena. In the electronic media, then we really have the press. Therefore, what- ever the right to know and the responsibility for every word that is said. Information sometimes reveals his sources. This unusual situation for a reporter of the utmost integrity and barriers to guide him in his work can be used as a tool for self-censorship in the public and the individ-

the kinds of sources of information now being used. This kind of information, as recently by the reporter for the "Minister" about the "Minister" affects his ability to achieve several things. If the reporter who writes for the truth of the information can sully a number of sources, in the best case, only one of them remains to him, if, in fact, he knows the identity of the others in the information that are convenient. There is room for choosing an identity of the government minister. This kind of attribution is not true. How are we to distinguish between the invention

of someone else, perhaps even of the reporter, the possibility that the piece was "planted" for some political or personal interest when the reliability of that supplier of information of information transfer can only impair the officeholder to function, when his office is of importance to the fate of the country and he is the prime minister, there is no need to be explicit in this approach by the reporter to satisfying the public's right to know. This paints him in the public eye as someone who is afraid to express his opinion openly and

These doubts about the reliability of the information in the fashion described above are, in our opinion, It does not require any unusual effort to find out of the media are not particularly wild about the country and the government. In fact, it is of an article or commentary to know the source. Therefore, when a reporter uses the subterfuge cannot but be suspicious as to why the source concealed himself, or what is worse, that the source is nothing but a smokescreen for expressing his opinion. In legal terms, this sort of thing is called at least the intimation of slander. This kind of thing is not dangerous, as witness the fact that the press of the Western world. In fact, it is not exactly its most brilliant.

In spite of all the above there is no getting the lion's share of information which reaches the parliamentary and public establishment corner. This kind of source has become established even say that it has acquired full legitimacy. A quantitative difference between reliance on a source close to..., "etc. or "planted" accounts for the official in violation of the rules that bind the flow of information to a small circle of two or three. In case it is not simply that the latter can be the weight of the published information is so the foundations of government. There is also the fact that in a leak of information, as from a source, reports what was said by a second, whose name is therefore has the opportunity to deny his source. He is not subject to criticism from the man to whom he is not and also bears none of the burden involved in his source of information. But the other side of the coin is by any system of government based on law and

f? How can we negate the
er of information guided by
ven begin to assess the
s the reporter? This kind
of the public servant or
may be of the utmost im-
bitants. When the subject
the degree of danger im-
ng his responsibility for
s epithet "senior minister"
and hypocritical, who is
as befits an elected leader.

Information supplied in
umstances, not exaggerated.
the overwhelming majority
sent leadership of the
le at all for the reader
ted in it. It is enough to
le to know its content.
onymous attribution, one
a concealed or has con-
the "senior minister" are
of the reporter himself.
on," "slander," or at
age is among the ugliest
accepted in the free
nal Israeli invention and

om the fact that the
from the government,
t are called "leaks."
ss world and one could
ere is a qualitative and
ative sources" or "sources
ver of information by an
pposed to the attribution
ior ministers." In this
entified, but that the
it can shake the very
ve difference in the fact
overnment, one minister
ificantly mentioned and who
arks. Thus the reporter
words can be attributed,
rilege of not exposing
reportage is not defended

The degree of danger implicit in this k
formation which is anonymous but easily
on a small number of people is also wit
ployed in the most intimate sphere of h
mental well-being. Certainly the publi
about the state of health of senior gov
den of the fate of the nation and its i
unusual right in a matter of an individ
that right for illegitimate purposes wh
people whose expertise is not medicine.
information tack by relying on anonymou
public.

The most desirable and effective safegu
the reporter, granted to him as a publi
and self-restraint in adhering to the u
so many others today, have been trample
every area of social life. In the situ
change in government, in which every me
of returning the government to the hand
longer rely on ancient noble sentiments
above. These people need to be remind
ministers in the MAPAI-Alignment camp s
illnesses while carrying out their duti
to the heads of the opposition and to j
refrain from using that information for
was not a single attribution in the "ye
public good.

When the opposition and its spokesmen f
"information" did not help them and eve
found: no longer "defective health" but
controversial opposition leader Shim'on
and says: "I will not talk about the p
state but about his inability to functi
alted qualities attributed to him by th
his book "Service Record," among them s

I am not a great believer in legal res
problems in general or problems of the
lar, all the more so when freedom of sp
must remain an unwritten code of pract
certain safeguards for the journalist
the public, the government and the rep
the profession and that requires certifi
existence of the profession as a free p
scribed norms and which imposes rights
it, on the general public and on the l

9794

CSO: 4423/3

tem based on a source of in-
d and which casts suspicion
the fact that it is even em-
rn--a person's physical and
right to know the full truth
rsonalities who bear the bur-
, but the invoking of that
ical privacy" is an abuse of
dical opinion" comes from
o, one can take the anonymous
authorities to deceive the

t the abuse of this right of
is a high ethical standard
ules. But these rules, like
unscrupulous people in
ted in Israel after the
tified that leads to the end
original owners," one can no
by the yardsticks mentioned
n prime ministers and senior
rious and even life-threatening
e matter was hardly a secret
, those people knew how to
or personal advantage. There
" which could have hurt the

hat the use of this kind of
evulsion, a substitute was
y to function." When the
ears in a television interview
ter's physical and mental
ords only bear out those ex-
f his party Yitzhaq Rabin in
nd hypocrisy.

o solve ethical and social
and its opposition in particu-
volved. This sort of thing
e time has come to set up
n and for the protection of
is should be done by making
a law that establishes the
perating according to pre-
tions on those who practice
ted government.

GROWING ILLEGAL ALIEN POPULATION--La
entering Israel pretending to be tou
who come here stay to work illegally
several hundred Yugoslavians who are
aliens from Turkey, Cyprus, Greece,
and the Interior Ministry are planni
and to send them away. The Interior
security on the borders, and has ord
Israel have money for living expense
a widespread phenomenon for citizens
private homes, hotels and restaurant
4,000, and the Interior Ministry pla
visit. The police have already star
in Elat, some of whom use dangerous
remain in Elat. To those aliens who
returned home, the Interior Ministry
a non-hostile country. [Text] [Tel

NORWEGIAN OIL--Israel has signed a c
The first shipment will arrive in ap
contract with Norway was signed last
in an attempt to increase oil source
president of Deleq, Avraham Agmon, a
Statoil. Isreal will import a small
tons per quarter. This is the amoun
of 1983. Norwegian oil is light and
relatively high compared to the aver
1983 (\$26.80). The import from Norw
the oil purchases from the free mark
of its oil needs from Mexico, 25 per
free market. [Text] [Tel Aviv MA'AR

TRAFFIC FATALITIES--in the 13,000 tr
there were 19,100 injuries, of which
released by a spokesman of the Centr
In comparison to 1982, there were in
of injured, 6 percent in the number
in the number of fatalities. [Text]
p 6] 12371

ISRAEL

number of Yugoslavian citizens
been growing steadily. Those
estimated that there are now
a Israel. There are also
countries. The Israeli police
sive campaign to locate aliens
has recently intensified
ck to see if those who enter
s return tickets. It is also
stern Asia to be employed in
number is estimated to be over
ngthen controls over their
ate aliens who are staying
y of them arrive by sea and
ould be endangered if they
ffer shelter or to send them to
V in Hebrew 15 Sep 83 p 8] 12371

purchase oil from Norway.
a month and a half. The oil
4 years of Israeli soliciting
tract was signed by the
egian National Company,
oil, approximately 70,00
l be imported until the end
nt quality; its price is
srael paid per barrel in
accounted for as part of
sent, Israel imports 40 percent
gypt, and the rest from the
w 15 Sep 83 p 1] 12371

ents which occurred in 1983,
atal. These figures were
f Statistics in Jerusalem.
about 7 percent in the number
accidents, and 10 percent
HATZOFE in Hebrew 14 Sep 83

EL AL ASSISTANCE TO LEBANESE--EL
to assist Lebanese traveling abro
has already sold about 150 tickets
even with tickets of other airlines
willing to trade Arab airline tickets
order to allow them to travel abroad
with other airlines which deal with
one in Metulla has already been
on the border. [Text] [Tel Aviv
12371

PURCHASE TAX UP--In the Ministry
value added tax would become the
gradually be phased out. The pla
tax has gone up from 8 to 12 perc
has been periodically lowered. Th
the tax rates on automobiles and
the Treasury began to suffer from
thing of the past. This week, sa
(on large-size cars, over 1,800 c
20 percent). The needs of the Tr
important than political or econo
both on imports and domestic good
33 billion shekels; domestic good
another 10 billion. The Ministry
automobiles will go up another 6
the cost of basic goods will incr
cent. Television sets, refrigera
electric ovens fall under an agre
the one hand and the Treasury on
approved by the government. The
items will remain stable through
mate that following the tax incre
ances will fall by around 15 perc
80 to 200 percent, and the overall
[Text] [Tel Aviv MA'ARIV in Hebr

ISRAELIS IN NEW YORK--Tel Aviv--T
Israelis living in the Greater New
Lavi, Israel's consul-general ther
half a million Israelis in the U.S.
at a reception at Beit Sokolov for
Yiddish Writers' Union of the U.S.
commentator in Yiddish in New York
POST in English 28 Sep 83 p 1]

ed a branch in Metulla in order
anch, which opened yesterday,
se. The Lebanese may fly El Al
announced that it would even be
possession of the Lebanese in
tickets would be traded in turn
panies. A branch similar to the
ese last few days at Rosh Hanigra
RONOT in Hebrew 14 Sep 83 p 7]

a proposal was prepared whereby
ect tax, and purchase tax would
rtially implemented: Value added
ercent, while the purchase tax
eived a boost 2 years ago when
sions were lowered. Last year,
ds and tax reductions became a
s were increased by 10 percent
ters, the tax was increased by
e the overriding priority, more
ations. Purchase tax is imposed
a imports this year will bring in
. Raising taxes will generate
has estimated that the cost of
as a result of the tax increase,
ent, other goods by about 5 per-
nditioners, washing machines and
n manufacturers and importers on
hereby price hikes must be
ounced that the price of these
Treasury officials further esti-
and for cars and electrical appli-
se tax on cars is the highest:
s comes to 170-300 percent.
(Supplement--"Kol-Bo") p 1] 9811

bably only about 75,000
according to Naftali
s that there are nearly
h," Lavi said yesterday
elewitz, president of the
Ben-Yisrael, radio
[Jerusalem THE JERUSALEM

KIBBUTZ IRRIGATION AUTOMATION--
stalled a computerized irrigati
the Gal factory at Kibbutz Hefz
special computers for controlli
developed at the kibbutz and ar
ming unit. The Hefzi Bah compu
tion systems. Most computers m
some are used for orchards and
tural irrigation systems is par
in Israeli farms. This process
agricultural profitability, has
save manpower, working hours an
fields. In addition, water and
According to Gal spokesmen, mos
years. [Text] [Tel Aviv 'AL HA

CSO: 4423/5

kibbutzim throughout Israel have in-
The computer products come from
designs, develops and produces
ion systems. The computers were
el by a special infra-red program-
are used in all the various irriga-
on field irrigation systems, and
s. The automation of the agricul-
grading process now in progress
due mainly to the drastic drop in
kibbutzim conclude that they can
ation cost, especially in remote
rs are also used more sparingly.
will follow suit within 2-3
Hebrew 19 Sep 83 p 4] 9565

LEBANESE OWNERSHIP IN LOCAL

Paris AN-HANAR ARAB REPORT

[Text]

The Leban
decree ord
cent of t
owned cor
must equa
shares in t
on the nev

The re
ised to gr
public int
bank. Pric
also exam
to determ
permit Le
the report

The n
those ban
banks wil
on the bas
owners of
reports, w
would be
taken by b

The d
of the dat
shares issu
holdings in
shares, acc

The r
the ways i
intervene
Earlier re
modificati
Central B
and which
if banks g
available
these mod

INCREASE

English No 41, 10 Oct 83 p 8

Last week issued a legislative
to ensure that at least 51 per
cent are Lebanese or Lebanese-
owned banks which own shares in banks
must hold 1 per cent of their nominal
value, according to press reports

Bank of Lebanon will be author-
ized to issue licences "in the light of the
experience" by the proposed new
regulation, the Central Bank must
approve of any foreign shareholders
from governments of their countries
operating in banks in these countries.

Measures concerning ownership cover only
banks incorporated in Lebanon. Foreign
banks set up in business in Lebanon
are similar to that covering foreign
banks, according to the
Bank of Lebanon's approval
of share transactions under-

all Lebanese banks regardless
of the right to transform any bearer
share into nominal shares. All equity
must henceforth be in nominal
form.

These measures would also increase
the power of Lebanon would be able to
strengthen its banking regulations.
The Finance Ministry was seeking
new laws on banking to give the
authorities more ability in dealing with violations
and to provide more protection for depositors.

It was not clear from reports
whether the law went to press whether
it was made by decree or whether

future leg-
islative reports
Finance Ministry
and Finance
of a Higher

According
to the
that the B
measures
against
our, no m
sphere in w
could be u
closing its
because of
open to th
judiciary
the present
with any r
intends to

The m
by which
of an offer
flexibly in
Moreover,
the light o
cessation o
embodied
up to deal
the same
some differ
business an

Banks
ed as bank
receiver wi
for the G
required to
specified u
of credits v
will be able

The ne
declaring b
into a com
the bank or
the Federat
of director
subject to
law; their fi
by law. Fin
to LL 50,0
deposits an
valid.

...be required. The earlier
...being sought by the Fin-
...Lebanon's 1963 currency
...provide for the establishment
...ter.

...reports, the need for adjust-
...parent when it was realised
...ould not take effective meas-
...nk committing a misdemean-
...without creating an atmos-
...dence in the offending bank
...hich might lead to the bank
...of a bank facing difficulties,
...the only course of action
...on is to request through the
...ase payments. Furthermore,
...vice the monetary authorities
...the activities of a bank which
...eiv:ership.

...d specify in detail the method
...nor may intervene at the time
...allow the authorities to react
...y the situation as it sees fit.
...ecy in these matters, and in
...udicial body to announce the
...ny one bank, a special court
...anking Committee will be set
...s. The committee will act in
...courts although there will be
...will be placed on expediting
...secrecy.

...ng withdrawals will be regard-
...ate 1 as such except that the
...to the National Establishment
...osits. Nor will depositors be
...er. statement of all debts as
...uations. In addition, listing
...uch a way that no depositor
...counts of another depositor.
...ould also stipulate that banks
...ave their assets incorporated
...pecially for the liquidation of
...asse s liquidated as seen fit by
...The members of the board
...gement of the bank will be
...the civil courts and to civil
...wi l, however, be impounded
...ee cn deposits would be raised
...while existing laws regarding
...s of the amount will remain

RAFIQ HARIRI VIEWED AS

Paris AN-NAHAR ARAB REP

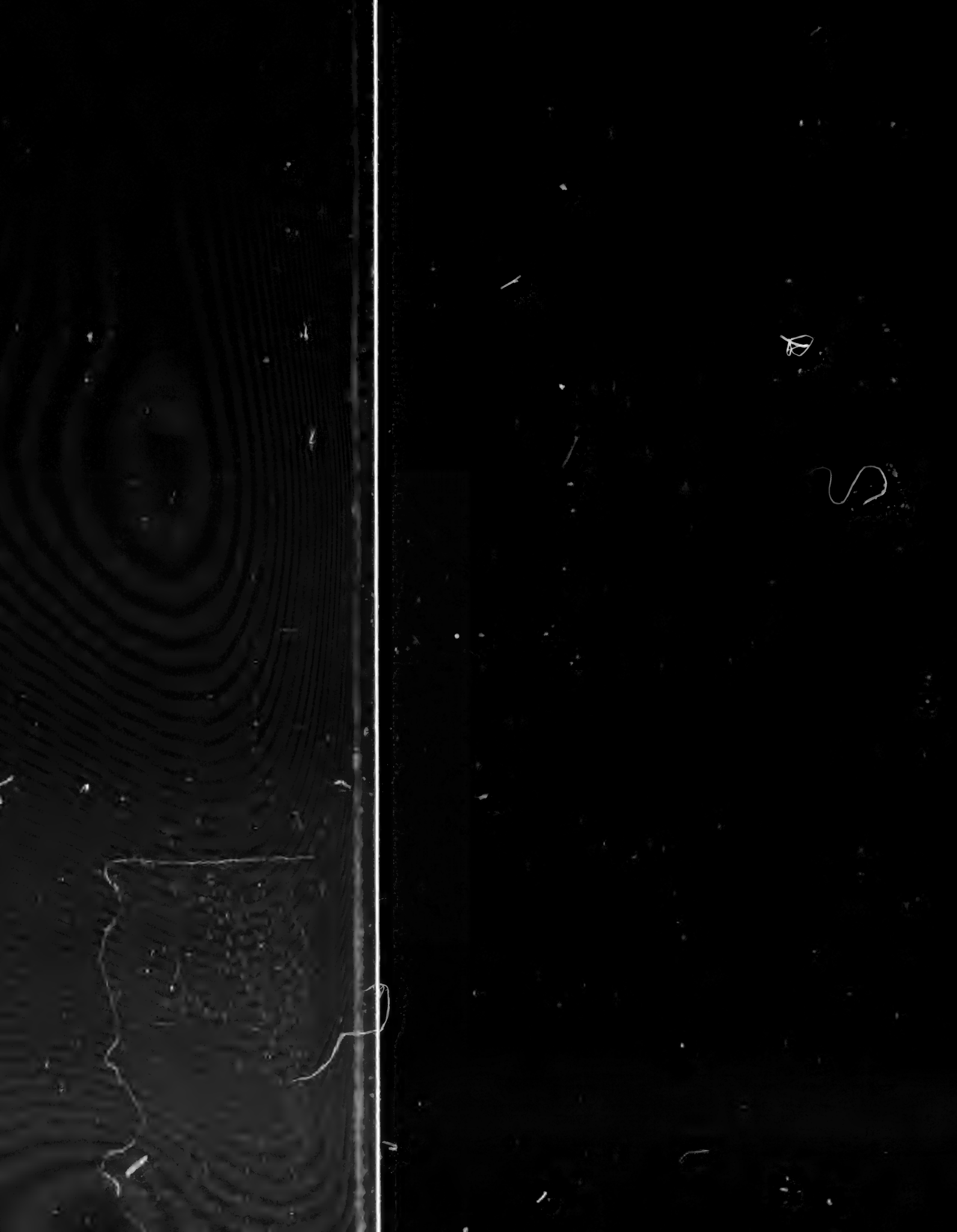
[Text]

Rafiq H
acting
and Syr
Bandar
bassado
ducting
Americ
has had
Lebane
and co
for his
Lebane

No
progre
in Leb
and di
as a p
Prime
Leban
need
Saeb S
Mr H
In thi
the m
of hin

Person

a will
confi
wealth
he li
brou
a ma
dupk
hous
town



shares in a number of industries including light metals. His real estate holdings are in particular in southern Lebanon, and a prime site in Beirut which he wants to build a super luxury building of apartments with 100 square metres occupying an entire floor. The cost between \$3 and \$4 million each in the atmosphere prevailing at present, Mr Hariri is however, to delay building for the time being.

Mr Hariri's interests in Lebanon are not limited to him to leave them to the vagaries of politics. He has a strong personal motive to bring about a cease-fire in addition to his interest for the public good. His novice status in politics is enhanced by the group of close advisers he has gathered around himself over a period of time. Hariri's team is certainly impressive and the following persons

Dr Selim al-Hoss, a former Prime Minister, is a well known economist. He is Chairman of the Arab League and Internationale d'Investissement, towards which his professional achievements are directed. The Bank of Lebanon's Control Commission, the man of the Lebanese development bank, together with his experience in politics.

Dr Hoss helps Mr Hariri by offering his evaluations and he does at the same time express his political beliefs. These have become more and more over the past three years when Dr Hariri has been of political favour.

Dr Sabbah Al-Haj, a former member of the Intra Investment Company, Dr Haj is the product of a singular political vision. His father fought the first truly democratic Lebanon in the 1950s, winning a seat in the Assembly against all odds. In addition

Dr Haj has been responsible for the steering of the Saudi-Lebanese Bank since its inception.

Mohamad Doweidi, a former Vice President of Finance with Middle East Airlines. Mr Doweidi handles banking affairs for Mr Hariri's enterprise with respect in the international banking community. His tremendous energy and ability. Mr Hariri was elected to the board of MEA last August. The move did, however, reflect Mr Hariri's intent to extend further his knowledge of the world of aviation. One time, Mr Hariri offered to buy the airline, but still hints that he is interested in acquiring it.

financial controller. Mr Sanioura is the youngest of the group and is therefore the closest in age to Mr Hariri. He has been entrusted with the difficult task of setting affairs to rights at the Banque de la Méditerranée.

Finally, Mr Hariri heeds the political opinions and judgements of Saeb Salam. Both men are close to the Saudis and Mr Salam has the unchallenged status as *doyen* of Sunni Muslim leaders in Lebanon. If Mr Hariri is to become Prime Minister, he will have to have Mr Salam's blessing and abide by his counsels.

There are many factors for and against giving Mr Hariri such responsibility at this time in Lebanon. These include:

For

- Youth, and therefore energy and thus ease in communication with a youthful and dynamic President;

- Success, which is taken to prove competence and financial independence;

- Raw intelligence, always a quality highly prized in political leaders;

- An orientation towards social welfare on many levels in private aid for education and hospitals, for students lacking funds for higher education and, finally, for his Kfar Falous project;

- A likeable and open personality;

- A Sunni Muslim, from whose community Premiers of Lebanon have always been drawn by unwritten agreement.

Against

- Very large business interests in Lebanon, with a semi-privileged status for some projects;

- Limited political exposure and naivety insofar as international politics are concerned;

- Bad performance on some works, such as the refurbishment of Beirut's Corniche, where a 1.6-kilometre stretch of road has not been properly done irrespective of the numerous changes in the plans; if Mr Hariri's group was unable to finish a job of this size in 10 months, questions are being asked about the group's ability to act as construction managers on behalf of the CDR;

- A tendency to concentrate power and ownership and too much involvement in financial institutions and real estate;

- Dual Lebanese-Saudi nationality: dual nationality has previously prevented other Lebanese from becoming a minister, let alone Prime Minister.

BAN ON RECRUITMENT OF

Muscat TIMES OF OMAN

[Article by Muzaffar M

[Text] The Directorate
foreign manpower with

The categories listed
officers, light duty a
operators and Arabic t

The ban was made in a
October 1.

The new rule calls upon
above mentioned catego
these jobs they must c
labour office the inte

Elaborating on the new
Labour told the Times
more job opportunities

He said it had been fo
jobs listed under the
labourers and other me

Mr Ahmed Nasser expres
people to get jobs sui

In another move to pro
Directorate-General of
people who have been c

People who are not dr
Labour department to
commercial vehicle. M
recommend to the Roya
calls for a driving 1

POWER FOR SOME JOBS

6 Oct 83 p 1

of Labour has banned the recruitment of certain categories of work.

includes those of public relations, taxi drivers, watchmen, farmers, mixer

decree and came into effect from

panies to employ local people in the jobs. Should they need foreign workers for Capital Area Labour Office or any other

Amad Nasser, acting Director General of Ministerial order was aimed at creating

any Omanis who were qualified to do the categories were working as porters,

be that the new measure will help local qualifications.

local people's right of employment, the restricted commercial driving to as drivers in their labour cards.

profession will be required to approach the eligibility and their need of driving a Nasser said the Labour department will then see that the applicant's nature of duty

He said that the categories to be made included mechanical

For top executives of the Ministry of Labour department licence, he clarified

The acting Director-General of a number of instances and others who were not in vehicles.

He said that in the event of a vehicle involved was

Mr Ahmed Nasser emphasized that expatriate workers do not leave the country. The move will affect only in drivers' jobs, Mr

CSO: 4400/26

workers in whose case recommendation will
persons engaged in outdoor sales.

professional people as well as women,
ion was needed to obtain a driving

the rule has been issued after discovery
h masons, foremen, carpenters, steel fixers
by profession were driving commercial

idents serious problems arose because the
persons other than drivers.

the labour authorities wanted to see that
r which they have been allowed into the
p to accommodate a good number of Omanis
r said.

TIES WITH SOUTH YEMEN
diplomatic relations between
the two countries.
Kuwait, both member states.
The official announcement
which marks the first step
down the basis for normalizing
Speaking to the Arab League
Affairs, Mr Yousuf bin
the demarcation of the border
for its postponed decision to
resume boundary demarcation
existing boundaries.
current Gulf Co-operation
were being held to discuss the
Development Force.
Straits of Hormuz, and
as long as the Iraqis fulfil
responsibilities with regard to
he added, but would not
continuing to reconnoitre the
accomplished any progress.
said that Oman refused to
from Lebanon to allow the
throughout the country.
drawal of all foreign troops
to exercise its sovereignty.
Oman's call for the withdrawal
to enable the Afghans to
own country. [Text continues]

EDUCATIONAL PROGRAMME
educational and cultural
Youth Affairs, Mr
by Mr Ali Mohammad
Qatari Education U
at the signing ceremony
sador in Muscat, a

BRIEFS

Agreement has been reached on the establishment of relations between Oman and South Yemen during talks between officials from the United Arab Emirates and the six-nation Arab Gulf Co-operation Council. These relations will be made on October 27, the anniversary of the signing of an agreement laying the basis for relations between the two countries.

"Oman," Oman's Minister of State for Foreign Affairs, Abdullah said that the technical committee for relations between the two countries would be convened on October 30 in Kuwait. The committee will discuss the agreement having already considered the separating boundaries. Referring to the military exercises, the Minister said that they would test the defence capabilities of the G.C.C. Rapidly, after the recent Iranian threat to block the Strait of Hormuz, he stressed that the threat would be present for the foreseeable future. Oman was prepared to undertake her part within the framework of the Arab Gulf Cooperation Council, he said, alone. Meanwhile, Gulf mediation efforts were being made between the two parties, he said, although they had not yet reached a final result. On the Lebanon situation, the Minister said he would call for the withdrawal of all foreign forces from Lebanon to allow the Lebanese government to exercise its sovereignty. Mr Alawi also renewed Oman's call for the withdrawal of Soviet invasion forces from Afghanistan and for the achievement of independence and sovereignty in their region. [THE TIMES OF OMAN in English 6 Oct 83 p 2]

QATAR--Oman and Qatar signed a programme for co-operation at the Ministry of Education and Higher Education, Mahfoodh al Mandhari. The programme was signed by the Under Secretary of Education and the visiting Under Secretary, Mr Abdul Aziz bin Turki. Also present were Mr Ali Abdul Rahman al Miftah, Qatar's Ambassador, and al Hinai, Oman's Cultural Attache in Doha.

Under the programme, students, experts, and teachers will ensure more co-operation in the field of higher educational co-operation in the region. The agreement was signed. [Qatari syllabus. C] when the last Secretary of Education, Qatari Under Secretary, after a 4-day official visit to Muscat, Mahfoodh al Mandhari, [Muscat TIMES OF OMAN]

SCHOOL ENROLLMENT Statistics for the new term in the Education Department were discussed in meetings with teachers in the Wilayat half-way along the coast. [Text] [Muscat TIMES OF OMAN]

NEW BANK ACCOUNT Regulations governing the opening of new bank accounts in an order issued by the Ministry of Finance Qais Abdul Wahid said that the need for special currency exchange of Finance to obtain the prescribed form, must be of the proposed bank and average interest rate. Prime Minister's order signed by two employees concerned. The rate amounting to less than the Government body, higher amounts, the Finance Ministry. to the Finance Ministry exceeds of the concerned provides that under the order allowed to open an account. The order contains provisions for current accounts.

GDP UP--Oman's Gross Domestic Product for the five-year plan registered a five per cent figure, it was officially announced. launched, the gross domestic product, 2,349 million Omani rials. The increase is very significant growth during the five-year plan.

ation, the two countries will exchange sportsmen as well as books. The programme of Omani students at Qatar University and other institutions. Oman and Qatar have enjoyed excellent education even before the protocol of co-operation. Now Omani students were taught under a curriculum near Oman said good-bye to the Qatari syllabus. It was covered by the Omani syllabus. The Minister of Education and Youth Affairs. [Text] in English 6 Oct 83 p 5]

The Education Department in the Interior has said that about 20,000 students have enrolled in the Interior. The Director of the Interior, Jabir bin Moosa al Abri, has held a meeting with school directors. He has also visited Haima in Muscat to Salalah road to inspect the new hostel. [Text] in English 6 Oct 83 p 8]

The Government has issued new regulations for Government accounts in banks. The regulations are issued by the Deputy Prime Minister for Financial and Economic Affairs, Sultan bin Awad. Under the rules, Government bodies who should submit an application to the Ministry of Finance. The applications, to be made on a form, should state the purpose of the account, the name of the account, the daily business, average monthly balance and the interest to be obtained on the balances. The Deputy Prime Minister said that all cheques and pay orders must be signed and stamped by the head of the Government body. The interest on the current Government accounts' balance of 100,000 shall be fixed by mutual agreement between the Government and the bank. However, in respect to accounts of interest, the interest must not be less than that fixed by the Government. The interest accruing on the account is to be transferred to the end of every month and adjusted to the Government body. The Deputy Prime Minister's order states that a Government body which has been permitted to be permitted to make overdraft withdrawals. The procedure to be followed to maintain the account. [Text] in English 6 Oct 83 p 11]

The Gross Domestic Product (GDP) in the first year of the current five-year plan has increased by 22 percent over the previous year's plan, the Government announced this week. In 1981, when the plan was first announced, the GDP, by current prices, amounted to 1,927 million Omani Rials in 1980. The Government is aware of the fact that the average annual growth rate of the five-year plan was only 20.3 percent. Although

preliminary data. The growth of national revenue due to oil. [Text] 6 Oct 83 p 50]

NEW OIL STRIKE- concession in Omani block has proved on half-inch chisel. Limited has introduced a new grade of the crude oil. The drilling are being carried out on a 100 million-acre Sultanate with Abu Dhabi. The pipeline connecting the terminal in the north has been found crude oil. The subsidiary of Omani Oil Corporation has been established by the year-end. After five years of operation, the company has relinquished 25 percent of the oil. In the past, the oil industry has augurs well for the future. The oil industry has been successful in the past but the ways are changing. [Text]

CSO: 4400/26

tors will make up for the reduction in oil
ices. [Text] [Muscat TIMES OF OMAN in English

il has been struck in the Gulf-Occidental
"Safah-2X" exploration well in the Suneinah
ve and the daily flow is around 1,650 barrels
depth of 6,500 feet. Gulf Oman Petroleum
Ministry of Petroleum and Minerals that the
API and further seismic work and delineation
aken to evaluate the accumulation. The 2.4-
ck, located in north-west Oman is contiguous
h-2X well is to the south-west part of the block
akhwair field of Petroleum Development Oman.
ekhwair with Mina Al-Fahal, the oil export
rea, has adequate capacity to transmit the new-
nderstood. Occidental Oman Incorporation, a
Petroleum Corporation, has 65 percent interest
f Oman Petroleum Limited, a subsidiary of Gulf
nt. The term of Gulf Oman as operator expires
ental Oman takes charge on January 1. Last year
tless but futile efforts, the concessionaires
f the area to the government. Under the circum-
t Suneinah should be reassuring for them and
my. It is believed the operators have been
gas deposits at certain spots in the concession,
commercial prospecting are yet to be decided
ALEEJ TIMES in English 1 Oct 83 p 1]

MARINE CABLE PR

Doha AL-'AHD in

[Interview with
of Ministry of
place not speci

[Text] A meet
communications
members of the
council members
meeting was led
Bureau of the M
interviewed to
communications
addressed the f

[Question] Wha
coordination co
Council member

[Answer] The r
with integratio
following:

Urge any Cooper
take into consi
projects--measu
Council member

The principle
existing projec
economical so a

Another aim is
marine cable pr
follow-up on th

GULF STATES DISCUSSED

435, 16 Aug 83 pp 27-28

al-Dawsari, director of the Telecommunications Bureau
ons and Transport; name of interviewer, date and

representatives of the ministries of transport and
Cooperation Council member states that are also
n committee concerned with the marine cable for the
ded in Dubayy last week. Qatar's delegation to the
ad al-Dawsari, director of the Telecommunications
Transport and Communications, whom AL-'AHD
at this meeting produced to facilitate and enhance
rab Gulf Cooperation Council member states. AL-'AHD
estions to al-Dawsari:

most prominent recommendations adopted by the
cerned with integration of the marine cables of the

ons adopted by the coordination committee concerned
rine cables in its latest meeting in Dubayy are the

il member state thinking of laying a marine cable to
asures for feasibility studies for other
d by the ministerial meeting of the Cooperation

recommendation is to insure coordination among
rea's countries and to insure that these projects are
t duplication of such projects in the area.

hat the coordination committee concerned with the
he Cooperation Council member states continues its
ble projects and other projects complementing them.

The committee re
states, whether
that they meet t
member states.
projects be open

The committee fu
in acquiring the
studies for the

The committee al
Cooperation Coun
projects.

The committee fu
studies on the f
and that it pres
time possible.

[Question] What
and Bahrain and

[Answer] The ma
scheduled [to be
Qatar and the UA
the marine cable
using the satell
Bahrain will be
present, the int
communication in

[Question] What
intended to serv

[Answer] A netw
extension of the
Qatari citizen t
the highly expen

It is also likel
the project link
Moreover, the ma
extension of the
the new marine c
the outside worl

[Question] What
constructed?

ing implemented or planned, be economical, meaning essential needs and the requirements of all Council. He also recommends that participation in such Cooperation Council member states.

the Cooperation Council member states to cooperate in that helps in conducting the economic feasibility studies projects of these states.

states that the future marine cable projects of the Gulf states complement international communications

recommends that the UAE be entrusted with conducting a commission for the maintenance of marine cables. It will come of its studies to the committee at the earliest

implementation has the marine cable between Qatar and the UAE respectively, covered?

between Qatar and Bahrain and Qatar and the UAE is at the beginning of 1984. Communications between them take place through tropo-scatter and satellites. When in operation, communication will cost much less than now. However, communications between Qatar and the UAE and without the presence of any intermediary. At present, it is the satellite. The marine cable will turn the situation into communication.

future of expansion of the marine cable networks and international relations between Qatar and the outside world?

link Bahrain with Kuwait. This network will be an important one now being built. This network will enable the communication between Kuwait directly by way of the marine cable instead of using artificial satellites.

marine cable project now being built will be tied to the Gulf with Saudi Arabia and a number of Asian countries. The project now being implemented will also be an important one between the UAE, India and Pakistan. Consequently, it will enable us to expand our ability to communicate with

theoretical life span of the marine project now being

[Question] ... bring about ... other countries

[Answer] ... member states ... states. A ... communication ... preparing the ... project will ... is set at for ... member states ... marine cable

[Question]

[Answer] ... which nearly ... At present, ... areas, such ... directly. ... the 65,000- ... telephone li ... requests we ... expanded net

8494

CSO: 4404/6

duced cost of communication by way of the marine cable
tion of the tariff on communications between Qatar and

being conducted at the level of the Cooperation Council
tariffs for radio and telephone cables between these
anating from the meetings of the ministers of
Arab Gulf Cooperation Council member states is now
There is no doubt that completion of the marine cables
r to be taken into consideration when the unified tariff
meetings of communications ministers of the Council
riff will be determined on the grounds that the use of
and less costly than the use of artificial satellites.

expanding telephone lines and increasing their capacity?

he available telephone capacity is 65,000 lines, of
used. Therefore, the available lines meet the needs.
progress to increase the number of lines in the western
Work is also in progress to link Dukhan with Doha
ture plans to add a capacity of nearly 30,000 lines to
y now available so as to meet future needs and extend
rous other areas. We also take into consideration the
m citizens in some areas not yet included in the
ephone lines.

SYRIAN OIL

Doha DIY

[Article
Utilizati

[Excerpt
centuries
was the m
refining
century,
invention
these den

Oil and g
raw mater

Even thou
yoke of c
has under
previousl
national
industrial
demands i
necessary
industrial
movement
than had

Table 1 i
this work
activities

1. The f
drilled l
evidence

2. The s
companies
Karatshuk

N STATISTICS DISCUSSED

'ALAM in Arabic Aug 83 pp 40-47

Haytham Tunbakji: "Oil Prospecting, Discovery and Role of Oil in the Syrian National Economy"]

gas became part of modern industry in the 18th and 19th as used to surface roads and for other purposes. Kerosene l used for light and the need for kerosene pushed the oil rward in great strides. At the outstart of the 20th ivatives were used in industry, especially after the ernal combustion engine. This is in addition to the use of all forms of land, sea and air transportation.

be used for heating in many forms. Each is also used as a enormous branch of industry, namely, petrochemicals.

ia is a developing country that suffered from under the in all its forms for long periods, this country's industry development in the past 30 years, whereas the country had ndamentally on agriculture and livestock in building its fter independence, Syria realized that tying itself to the would make it subservient to them and a slave to their ts to secure manufactured goods and processed foodstuffs ople. This is why the country initiated an vement immediately after its independence and crowned this 's when it built more plants and industrial installations throughout Syria's modern history.

the volume of work completed and the total sum spent on eding work was coupled with exploration and production ssed through three stages:

covered the period 1939-51 when the Syrian Oil Company his activity resulted in the discovery of some gas and some ence of oil in northeast Syria.

covered the activities of the Manhal and Concordia ioid 1956-60 when 18 wells were drilled. In this stage, the aydiyah oilfields were discovered.

activities
the sole
and prosp

This stag
[employed
and to in
(in accor

Table 2 s

Thus, we
lacking i
all the w
utilizati

Most of t
and are s

1. The f
of al-Qam

2. The s
south and

Table 3 i
on which
produced

Oil is pu
'Adas. T
with a di
each 85 k

Table 4 d
outside t

Table 6 s
the best
6 years,
income an
instituti
countries

Oil makes
addition
represent
represent
period.

ian Petroleum Company. Since 1971, this company has been engaged in and supervising, with its national cadres, drilling hydrocarbons.

the activities of the service contract companies desire to speed up prospecting and production operations advanced technology. Seventeen wells have been drilled (these contracts).

total volume of drilling carried out by the national sector.

ab Syria has exerted efforts to complete whatever was technical equipment so that it would be able to carry out the necessary for oil prospecting, drilling and

ing wells are located in the northern part of the country attached map. These wells consist of two main groups:

sed of al-Hasakah oil fields, is located east of the city

which consists of al-Jubaysah oil fields, is located f al-Hasakah city.

the date on which these fields were discovered and the date t into production. Table 4 provides the quantities of oil by 1982.

ll 'Adas to Hims and Tartus by the pumping plant in Tall mps the oil to Hims through a 600-kilometer-long pipeline inches. In Hims, the pipeline branches into two lines, ng and with a diameter of 18 inches.

the oil quantities produced and the quantities exported

elopment in annual revenues. This table shows that oil is Syria insofar as economic yield is concerned. In the past y has produced the equivalent of one-half of the national percent of the total revenues of all economic the modest quantities produced compared with other

t contribution to the country's balance of payments, in important source of national income. The oil exported part of the value of the country's exports. Oil exports percent of the total value of exports in the 1975-79

Oil st
prices
total
buildi

Syrian
the qu
increa
expand
export

Gas Di

It is
the (o
specia

The fo
produc

Field

Al-Suw

Al-Rum

Karats

Jabisa

Kubayb

Tishri

As for
this g
billio

So far
genera

This i
contra
classi
workin

by the number one role as of 1974 as a result of the rise in value of oil exported in 1979 totaling 68.9 percent of the Syrian exports. Table 7 illustrates oil's contribution to an economy.

meets the needs of the country's refineries. This has caused designated for export to decline as of 1978. But the sharp drop in the 1979-82 period allowed the value of the exports to diminish with the [reduced] quantities available for

Arab Syria

that gas is divided into associated gas, which is formed in and dissolved in the oil), and free gas, which is found in as well as the gas in (gas caps).

part shows the associated gas reserves in the country's main

Producible reserve (in billion cubic meters)

	7.500
	.835
ayyan	1.093
	1.257
	1.381
iyah	.643

and (cap gas), the following initial figures can be given on even though a new study is needed: cap gas reserves: 65.8 billion cubic meters; free gas reserves: 24.39 billion cubic meters.

and associated gas is utilized only to operate turbines to generate electricity.

to utilize this vast reserve of gas, Arab Syria has concluded a number of international firms to prospect for, produce and export, such as the (Bulgar Jirin) firm, which has already started a contract.

The
cubic
further
years
will
produ

In co
or so
stand
and
backw
young

Table 2. Total Exploratory and Productive Drilling

<u>Year</u>	<u>Exploratory meters drilled</u>	<u>Productive meters drilled</u>	<u>Total meters drilled</u>	<u>Number of wells</u>	<u>Number of rigs</u>
1959	2,225	-	2,225	3	2
1960	3,478	-	3,478	5	2
1961	6,757	-	6,757	3	3
1962	17,366	-	17,366	10	4
1963	15,804	-	15,804	4	4
1964	15,697	-	15,697	6	4
1965	14,799	-	14,799	6	4
1966	17,202	-	17,202	9	4
1967	14,803	19,522	34,325	16	5
1968	6,882	28,802	35,684	18	5
1969	10,519	41,491	52,010	26	10
1970	9,023	77,786	87,002	43	11
1971	29,870	73,180	103,050	57	13
1972	33,172	86,540	119,712	64	14
1973	37,575	118,790	156,365	77	14
1974	21,917	112,041	134,058	71	14
1975	45,553	79,166	124,719	66	14
1976	61,208	53,556	114,764	61	14
1977	64,260	39,005	103,265	65	14
1978	49,390	69,421	118,811	81	14
1979	52,646	62,235	114,881	85	14
1980	62,477	60,588	123,065	68	14
1981	44,495	47,845	92,340	70	16
1982	89,530	105,775	195,305	145	16

Table 3. Productive Wells

<u>Name of well</u>	<u>Layer</u>	<u>Area in hectares</u>	<u>Producible Oil in million cubic meters</u>	<u>Date of discovery</u>	<u>Date well put into production</u>
Karatshuk	(Massive)	5,610	31.10	1956	1969
Hamzah	Massive	690	3.40	1956	1970
Al-Suwaydiyah	(Shiranish)	5,353	4.31		1972
	Massive	23,400	234.00	1959	1968
	(Tiryasi)	1,800	.67	1960	1969
Al-Rumaylan	Shiranish	5,113	8.34		1976
	Massive	23,400	18.00	1959	1969
	Tiryasi	1,800	.71	1960	1976
'Ulayyan	Shiranish	3,880	2.95	1973	1976
	Massive	2,050	1.72	1973	1976
Jabisah	(Juraybi)	1,600	8.17	1968	1975
	(Shilu)	3,000	3.15	1971	1975
	(Jidala)	4,000	.47	1975	1978
	(Buti)	4,000	2.45	1971	1975
Kubaysah	Shilu	3,500	.89	1976	1977
Tishrin	Jidala	12,600	3.60	1975	1978

Table 4. Quantities of Oil Produced and Exported

<u>Year</u>	<u>Quantity produced</u> <u>(in metric tons)</u>	<u>Quantity exported</u> <u>(in metric tons)</u>	<u>Ratio of exports to production</u> <u>(as percentage)</u>
1968	103,247	1,019,347 [sic]	98.7
1969	2,639,133	2,499,133	94.6
1970	4,276,610	3,524,610	82.4
1971	5,311,977	3,486,000	65.6
1972	5,927,972	4,199,000	70.8
1973	5,604,527	4,327,000	77.2
1974	6,497,271	6,168,000	95.0
1975	9,678,037	9,500,000	98.1
1976	10,150,359	9,679,691	95.3
1977	9,206,867	7,948,609	86.3
1978	8,981,163	8,106,075	90.2
1979	8,760,228	7,697,087	87.8
1980	8,324,472	6,316,120	75.8
1981	9,493,473	5,542,322	58.4
1982	9,010,058	5,317,062	59.01

Table 5. Comparison of Oil Production and Consumption (in Million Tons)
to the Year 2000

<u>Year</u>	<u>Expected consumption</u>	<u>Expected production</u>	<u>Surplus and shortfall</u>
1983	6.698	8.552	+1.854
1984	7.379	8.403	+1.024
1985	8.017	8.077	+0.060
1986	8.793	7.551	-1.242
1987	9.490	7.552	-1.968
1988	10.315	7.268	-3.047
1989	11.084	7.239	-3.845
1990	11.889	7.179	-4.720
1991	12.266	7.145	-5.121
1992	13.066	7.064	-6.002
1993	13.919	6.976	-6.943
1994	14.823	6.868	-7.955
1995	15.795	6.762	-9.123
1996	16.818	6.513	-10.305
1997	17.903	6.290	-11.613
1998	19.058	6.123	-12.935
1999	20.285	5.942	-14.343
2000	21.610	5.647	-15.763

Table 6. Development of Annual Production and Revenues

Year	Production (in 1,000 tons)	Price per ton (in Syrian pounds)	Value of production (in millions of Syrian pounds)	Current spending (in millions of Syrian pounds)	Surplus realized (in millions of Syrian pounds)
1968	1,032	37.79	39	48	90*
1969	2,639	37.89	100	46	54
1970	4,277	38.11	163	121	42
1971	5,312	53.39	273	178	195*
1972	5,928	51.11	303	180	123
1973	5,605	65.65	368	190	178
1974	6,497	260.43	1,692	196	1,496
1975	9,678	252.74	2,446	240	2,206
1976	10,150	266.90	2,709	259	2,450
1977	9,207	307.37	2,830	291	2,539
1978	9,031	313.25	2,829	741	2,088
1979	8,750	577.94	5,057	821	4,236
1980	8,324	828.80	6,937	870	6,067
1981	9,494	910.00	7,763	-	-
1982	9,010	768.00	6,315	-	-

*[As published; apparently should read -9 and 95, respectively.]

Table 7. Exported Oil and Its Contribution to Balance of Payments (in Millions of Syrian Pounds)

Year	Total Syrian Exports	Oil		Cotton		Textiles		Others	
		Value of exports	Percentage of total	Value of exports	Percentage of total	Value of exports	Percentage of total	Value of exports	Percentage of total
1969	789.9	83.2	10.5	304.8	38.6	Unavail-able	-	Unavail-able	-
1970	775.3	128.8	16.6	309.8	40.0	68.7	8.9	268.0	34.5
1971	743.3	176.0	23.7	313.9	42.2	79.8	10.7	173.6	23.4
1972	1,097.6	200.2	18.2	373.1	34.0	126.6	11.5	397.7	36.3
1973	1,341.3	291.2	21.7	448.3	33.4	178.3	13.3	423.5	31.6
1974	2,914.0	1,607.5	55.2	715.0	24.5	182.8	6.3	408.7	14.0
1975	3,440.9	2,376.6	69.1	439.4	12.5	202.8	5.9	422.1	12.2
1976	4,141.3	2,585.7	62.4	637.7	15.4	260.8	6.3	657.1	15.9
1977	4,199.0	2,435.7	58.0	836.1	19.9	183.0	4.4	744.2	17.7
1978	4,159.8	2,553.0	61.4	674.4	16.2	185.3	4.4	747.1	18.0
1979	6,453.3	4,449.0	68.9	758.0	11.8	280.0	4.3	966.3	15.0
1980	Unavailable	5,235.5	-	Unavail-able	-	Unavail-able	-	Unavail-able	-
1981	"	5,043.6	-	"	-	"	-	"	-
1982	"	4,081.5	-	"	-	"	-	"	-

NEW FOCUS ON AFGHAN REFUGEE PROBLEM REPORTED

Kuching SARAWAK TRIBUNE in English 9 Sep 83 p 13

[Text]

As the Afghan guerrillas' resistance to the military occupation of their country increases in intensity and boldness, renewed international attention will soon be focused on the continuing tragedy of this non-aligned nation.

December will mark the fourth anniversary of the USSR's invasion of this small, Asian neighbour, by which time the super-Power's attempt to subjugate the Afghans will have lasted as long as its involvement in the Second World War.

While the United Nations' General Assembly at its forthcoming session is expected to renew its demand for a political settlement of the crisis, to include the withdrawal of "foreign" forces, plans have been announced for a three-day, international symposium to be devoted to the Afghan refugee problem.

This gathering, which is scheduled for Geneva in October, is being organised by the Paris-based Bureau International Afghanistan, a body set up by a group of European intellectuals.

Announcing its plans, the Bureau stated: "Afghan refugees today constitute the largest concentration of displaced persons in the world. The human, economic and political problems that have resulted from their flight are staggering".

But the refugee problem could not be divorced from its context, and the Bureau's aim in arranging the conference was to increase public awareness of the Afghan tragedy as a whole.

According to estimates by the governments concerned, there were three million Afghan refugees in Pakistan, a further 1.5 million in Iran and thousands more scattered throughout the world.

While the precise figure could be argued, there was no doubt that something like one-third of Afghanistan's population had been uprooted.

Four years old

And with the war there now almost four years old and increasing in its brutality, the refugee outflow could be expected to swell. This meant more difficult conditions for all the refugees and additional problems for the host-countries, especially Pakistan, the Bureau added.

Meanwhile, for the fourth time in succession, the coming UN General Assembly is expected to demand an end to the USSR's aggression against Afghanistan. It is a call which has been echoed at other forums such as the Non-

Aligned Movement and meetings of Islamic countries.

Last year the Assembly approved by 114 votes to 21, with 13 abstentions, a resolution urging the immediate withdrawal of "foreign forces" and reaffirming the right of the Afghan people to determine their own form of government.

Although the world body's founders intended that issues such as Afghanistan should be dealt with by the Security Council, action at this level has been precluded by the Soviet Union's power of veto. Consequently, it has fallen to the Assembly to pronounce on the issue.

But its resolutions are not mandatory, and thus the USSR has continued to ignore all pleas for a withdrawal. Nevertheless, many UN delega-

tions consider the repeated passing of the overwhelmingly supported Assembly resolution to be worthwhile as a means of maintaining world moral pressures on the Soviet Union.

Inside Afghanistan the heavily outnumbered and out-gunned majahideen continue to exert their own pressure on the invaders and the puppet regime installed in Kabul after the invasion.

In mid-August these Muslim guerrillas were reported to be carrying the fight into the heart of the capital itself. The main target of rocket, mortar and machine-gun attacks were said to be the Bala Hissar fortress, occupied by Soviet troops, a housing complex in which Russian advisers live, and the Kabul Radio premises.
— **Lion feature**

BANGLADESH-INDIA AGREEMENT ON SHARING OF TISTA WATER ASSESSED

Dhaka ITTEFAQ in Bengali 25 Jul 83 p 2

[Editorial: "Agreement on Distribution of Tista Waters"]

[Text] An agreement concerning distribution of the water of Tista River between India and Bangladesh has been signed. According to this agreement, Bangladesh will receive 36 percent and India 39, with the remaining 25 percent unallocated for the time being. It should be mentioned that at the end of 3 days of meetings by the Joint River Commission, this agreement was signed last Wednesday; details of the agreement were made public in a joint communique published at the end of the talks. It may be recalled that the fact that such an agreement would be signed, including details on the allocation of water, had been made public in a report published earlier in ITTEFAQ. We are concerned about the procrastination in solving the Farakka River water problem. We are also concerned about the distribution of the water of five or six other rivers. We know that Bangladesh made definite proposals concerning distribution of the unallocated 25 percent. We have asked for an extension of time for that also. Sessions and agreements of this nature were completed even before the completion of Farakka dam. In the meantime, India has completed the dam across the Tista River inside its territory. Let the experts determine whether in this agreement the interest of Bangladesh has been adequately served. Though we may not have experts in this area, there are university professors and researchers at colleges and engineering colleges who are qualified to express their expert opinions. To us common people, however, the most important news is that like the problem of the Farakka water distribution, the Tista River water distribution problem did not remain in limbo for years. We are happy that this matter has been settled before it was politicized.

In any case, we are not completely disappointed about the agreement on distribution of the Tista River water. We will continue to wait in hopes of finding out how much of the unallocated 25 percent of water will come to Bangladesh. Incidentally, we have not given up all hope of solving the Farakka River problem either. In addition, the fact that the Joint River Commission has been reactivated is a matter of great hope. However, we are more interested in actual results than in the mere completion of paper work. And from exactly that perspective, we hope to see early completion of the Tista River project on the part of Bangladesh. Much time has already been

wasted. India started its work on the Tista River dam after we did, but finished before we did. We are lagging because of our negligence and incompetence. We do hope that the problem of the distribution of unallocated water from the Tista River will be solved soon, and at the same time, we cherish the hope that the favorable ripple effect from solving the Tista River water distribution issue will also hasten the process of solving the problem of the distribution of Ganges River water.

12195

CSO: 4607/14

EDITORIAL CRITICIZES PREVALENT ANTI-INVESTMENT MENTALITY

Dhaka DAINIK BANGLA in Bengali 21 Aug 83 p 5

[Editorial: "Capital Investment"]

[Text] The honorable A.M.A. Muhith, minister of finance and planning, has appealed to the business community to invest capital as a way of increasing national output. Last Friday, at the formal inauguration of the head office of a bank, he said that the people in this country are primarily businessmen but that they have never been interested in investing to increase industrial production.

At this stage of our economy, we should place great importance on investing in industrial development. Compared with the Western countries, our industry is still in its infancy. And for that very reason, the economic gulf between those countries and ours is vast. In fact, just as industrial development has propelled those countries to their overall prosperity, our lack of development in those very areas has kept us crippled. To guarantee our national reconstruction, and to ensure our economic development, investment in industrial production is a must.

Unfortunately, those who are capable of investing capital in development of the manufacturing industry are primarily not interested. The finance minister understands the nature of our business community. Its members are more interested in trade than in establishing a manufacturing industry.

Somehow, the general public and the business community have developed the idea that the government should assume responsibility for developing the manufacturing industry. Although there are some businessmen who have been interested in buying and running industries after they have been established, they are not interested in taking the trouble to establish new ones.

Actually, this is a particular kind of mental attitude. Unless this attitude is changed, hopes for our industrial development are slim. In fact, at this very moment, opportunities for such industrial development are at the maximum. Government has created all sorts of opportunities to encourage businessmen to invest in industrial development.

Under these circumstances, we do hope, in the interest of our national and economic development, that every wealthy person, including all businessmen, will come forward to invest in this most urgently needed area of development.

12195

CSO: 4607/15

BANGLADESH

COMMENT ON PROGRESS TOWARD GENUINE DEMOCRACY

Dhaka DAINIK BANGLA in Bengali 23 Aug 83 p 5

[Editorial: "A Step Toward True Democracy"]

[Text] At a large mass meeting held at Faridpur, the chief martial law administrator, Gen H. M. Ershad, declared that the government has taken definite steps toward establishing democracy in the true sense, at the same time guaranteeing the supremacy of an independent judicial system. This is the first time in the history of our nation that democracy of the common people is about to be firmly established and the judicial system separated at all levels of the government, from the top administrative level to the lowest. General Ershad's statement will explain the government's serious efforts to answer many questions and remove some doubts about democracy and the independence of the judiciary. In plain language, General Ershad said that democracy did not really exist in the country, and for the first time the present administration has taken meaningful steps toward establishing true democracy; this is the first time the judiciary is about to be made independent, decentralized and expanded.

There is no doubt that the citizens of our nation want democracy. At the same time, they want that particular kind of democracy that would provide food to eat and clothes to wear, guarantee security and remove the differences between urbanites and suburbanites, rich and poor. There is no point in denying the fact that in the past no efforts were made to establish such a democracy. On the contrary, taking advantage of the so-called democratic process, many opportunists and power brokers fattened their own coffers. There was widespread breakdown of law and order--the safety of the common people was nonexistent. Furthermore, by establishing a one-party administration, even the semblance of democracy was abolished. People will never forget those nightmarish days.

The present government has sensed the true feelings of the people. They undoubtedly want democracy, but even before that they want assurance of food to survive, hospitals for the sick; they want agricultural development, irrigation, fertilizer, seeds, insecticides, roads, bridges, the guarantee of a good nights sleep and the elimination of dishonest practices. The present government adopted realistic and carefully planned steps to achieve all these aspirations. By establishing subdivisional administrative centers, the

government has brought democracy to the doorsteps of common villagers. Elections at all levels have been the basis of national reconstruction. Everyone hopes that after the electoral process is completed, a new era will begin in this country, and the foundation of true democracy will become permanent.

In reality, this is the time for economic development, for ensuring security and peace, and a time to bring about a transformation in the future of the beleaguered masses. It is not the time for negative political activities. Those who might try to use negative political tricks and those who might try to fish in muddy waters--the people will reject them. For that very reason, everybody should join hands to bring success to the process of achieving overall improvement in the country, and to make the democratic process a success. That alone will benefit the common people. The good of the country and its people comes before everything else.

12195

CSO: 4607/15

PRO-KHOMAYNI FORCES REPORTEDLY JOIN MUSLIM COMBATANTS IN BEIRUT

Tehran JOMHURI-YE ESLAMI in Persian 11 Sep 83 p 3

[Text] Beirut-JOMHURI-YE ESLAMI Correspondent--After attending the Friday Prayer ceremony and holding a great demonstration, more than 3,000 Lebanese Muslim revolutionaries left here for the mountainous region of 'Alayh and the Jabal to fight against the U.S. invaders, Phalangist elements and the Zionist regime. While carrying their heavy and light arms and holding Imam Khomeyni's photos, they chanted the slogan of "God is great--there is no God but Allah."

The Lebanese Muslim revolutionaries with armoured vehicles, personnel carriers and weapons seized last week after the occupation of Sheykh Abdullah Garrison, now named Imam 'Ali, proceeded to the battlefields. The vehicles were decorated with Imam Khomeyni's photos. It should be noted that the Muslim clergymen wearing military uniforms were marching in front of the warriors column.

Yesterday, AL-NAHAR reported that nearly 3,000 Hezbollahis [Party of God] warriors left Ba'labakk on Friday, the Northern city of the Biqa' which is concurrently under the control of the Syrians, for 'Alayh and the Shouf heights.

Central News Unit quoting AFP from Beirut reported that AL-NAHAR also added that these warriors left for Beirut outskirts to join other Muslim warriors in the mountainous battlefields, to fight against Phalangists and U.S. forces.

AL-NAHAR quoted that these warriors left Ba'labakk by personnel-carriers and trucks seized from the Phalangist army. The paper also reported that the vehicles were decorated by Imam Khomeyni and Musa Sadr photos. AL-NAHAR added that the warriors, while chanting the slogans opposing Israel and Phalangists, were carrying placards citing, "We are the lovers for martyrdom and O, Khomeyni we listen to your command."

The followers of Hezbollahi movement, occupied the garrison of the Lebanese Phalangists, in the city of Ba'labakk, last night and named it Imam 'Ali's Barrack. According to AL-NAHAR, one of the Hezbollahi officials, while

addressing the Muslim warriors who had gathered in the city's central square before their departure for the mountainous areas, declared that the hezbollahis have decided to participate in the Holy War against the United States and its agents: Israel and the Phalange in the region.

Moslem Offensive Intensifies:

The Lebanese Moslem Revolutionaries stationed in the southern outskirts of Beirut in continuation of their attacks against the elements of the Lebanese Phalangist army, taken positions on the contact line in the middle of the two districts of Eastern and Southern outskirts of Beirut, on Saturday Mid-night launched attacks on the positions of the Phalangist forces stationed in the Shiyah region. In the fighting which occurred between the Lebanese Muslim Revolutionaries and the soldiers of the Phalangist army, several Phalangist soldiers were wounded. On the other hand, according to the reports received here, following the successive two-day assaults, the Zionist invading forces yesterday launched another attack on the Palestinian camp of Burj al-Shamali, situated in the occupied city of Tyre, South of Lebanon and detained about 50 Palestinians, the inhabitants of the camp. A number of young women could be seen among the detainees who were transferred to the Zionist military command base. Same report adds: The inhabitants of "Sarifa" in the vicinity of Tyre, as a mark of protest against the prolonged arrest of their youth in the Ansar detention camp, blocked the main route leading to the city and demanded release of prisoners of Ansar concentration camp.

Calling Muslims for Jihad

According to the Central News Unit's report from Beirut, the Friday imams of Beirut mosques and its southern outskirts, in their Friday prayer sermons, mostly hinted at the dangers which threaten the country, especially the current fightings in the Jabal region.

The clergy portrayed "the Jabal battles" as a war against the existence of Islam and further, they conceived that the Muslims in Lebanon are confronting various intrigues and conspiracy for which U.S. and French forces have direct roles in creating them.

The Friday imams of the mosques appealed to all Muslims not to hesitate in extending their supports and assistances to the inhabitants of "Jabal of Lebanon" while stressing that their victory in the region will be the victory for all Muslims. Then the preachers, while severely denouncing the Phalange Party, the ally of the Zionist foe, further emphasized that the ill-plans of this party are aimed to inflict blows on the Muslim world. However as the Muslims never give way to degradation and will always keep fresh the memories of the real leaders of the Islamic nations, in their minds, especially the lord of the martyrs--Imam Hoseyn, Peace be upon him, therefore, ultimately all the plots of the enemy will be crushed. The clergy, then pointed out that holding funeral ceremonies, circulating condemnation statements and urging heads of states to campaign against enemy plots will not be sufficient to gain the intended achievement. At the conclusion, they urged Muslims to make efforts in organizing a practical Jihad for restraining their rights and driving back the aggressors, just as the Almighty God has commanded.

CSO: 4640/349

SPokesman Discusses Dissensions, Conflicts Within PFLP, PLO

Tehran KEYHAN in Persian 8 Sep 83 p 28

[Text] Damascus-KEYHAN correspondent--Fatah inner conflicts and dissensions of recent months are considered as one of the most significant developments in Palestine's revolutionary movement. Different factions, cite the reasons for these problems differently.

Reports of division within the Popular Front for Liberation of Palestine-General Command and the separation of a group for supporting 'Arafat, was issued about a month ago. These problems prompted us to request an interview with Ahmad Jabril, the commander of the Front. Unfortunately the interview with Ahmad Jabril could not take place on the appointed date and instead Fadl Shururu, the official spokesman for the Front met with our correspondent.

Fadl Shururu, answering our correspondent's question on conflicts and dissensions within the PFLP-GC said: Such conflicts and dissensions have never existed in our Front. The policy of the General Command has been approved and confirmed by all the cadres in this Front, namely, the members of the Central Committee, Political Bureau and the fighting cadre.

Fadl Shururu on the dissension in the Fatah and the stand of the Front confronting the party replied to our correspondent that from the very beginning we have approved any uprising and revolt in the Fatah Organization. Any reports which are heard today as regard to the conflicts inside the Popular Front all are fabricated by 'Arafat and Abu Jihad. We possess documents showing that 'Arafat and Abu Jihad have been paying \$5 million to the rebels of the Popular Front to start meeting in the battlefields in order to cause problems.

At this time, our correspondent told Fadl Shururu that "Abu Jaber has said that most of the cadres in the battlefields are his followers. What is your opinion in this respect?"

Fadl Shururu said 8 months ago, Abu Jaber was banished from the Front and now he has no position and connection in our Front and he is only a puppet to Yasir 'Arafat and Abu Jihad.

Fadl Shururu, as regard to the existing relation between Saddam's regime and Egypt, said: Now Saddam has extended his hands to the Egyptians and is willing

to establish friendly relation with that country. he has agreed to the terms of the UN Resolution No 242 as a fundamental resolution for the Middle East and is convinced that the resolution would solve all the problems of the region.

We must not forget that Iraq's regime has rendered the greatest assistance and services to the reactionaries and now this regime is completely drowned in the swamp of treachery, because of declaring war on the revolutionary government of Iran and because naturally it is one of the greatest treasons committed by this regime. The revolutionary government of Iran was to fight on our side, but it became involved in the war with Saddam. We should not be astonished that the enemies of the revolution, in the region, namely; Baghdad, Lebanon and Sudan from one side and the Persian Gulf Cooperation Council from the other side have joined hands in the plots against Iran.

CSO: 4640/352

TERRORISM PLAN BY IRANIAN STUDENTS REPORTED

Manila BULLETIN TODAY in English 4 Oct 83 p 24

[Text]

A group of Iranian Muslim students is reportedly out to take advantage of the present critical situation by engaging in terrorist activities such as sabotaging government facilities, newspaper plants, TV and radio stations, hotels, and embassies.

Reports reaching the Education Ministry yesterday disclosed that these Iranians were using education as a front to enter the country and were sent by their government not to study but to launch an "Islamic revolution."

They were reportedly trained and given specific instructions by the Iranian government through their embassy here to join rallies being conducted by the students and other opposition groups against the gov-

ernment.

The reports said this group of foreign students "are instigators who blame their sufferings on what they claimed as the terrorist tactics of the Marcos regime."

A manifesto prepared by the Iranian Muslim Students in the Philippines, which was cited by the reports, further revealed a plan to eliminate "all identified enemies" and to join Philippine revolutionaries "in a violent and aggressive revolution."

The manifesto, allegedly prepared by detained suspected head of a pro-Khomeini "hit" squad, Amir Hossain Kamboozia, denounced the "terrorist tactics of the fascist Marcos regime, the black propaganda of the Philippine mass media under the influ-

ence of some officials of the education ministry, immigration bureau, Malacañang intelligence agents, US embassy agents, and US and Israeli advisors to this puppet regime."

It claimed that these government agencies and their foreign advisers were fed false information by their Iranian enemies in the resistance movement "led by CIA-MOSSAD-SAVAK agent Khosrow Minuchehr and his gang of refugees."

The manifesto revealed that this group of Muslim students came here for "a united cause to make all people in the world to believe and practice the only way to salvation and happiness — Islam," and that to them "education in the Philippines is not important."

CSO: 4600/39

END

END OF

FICHE

DATE FILMED

7 Nov. 1983